Austria	Sch20	Iran	Rls210	Pakistan	Rs35
Bahrain	Din0.900	Israel	Shk4.50	Philippines	Pso40
Belgium	BFr60	Italy	L2200	Poland	Zl 11,000
Cyprus	C£1.00	Jordan	JD1.20	Portugal	Esc175
Denmark	DKr13	Korea	Won 2000	Qatar	QR10.00
Egypt	E£3.50	Kuwait	Fils.500	S.Arabia	SR8.00
Finland	Fmk8.50	Lebanon	L£1,900	Singapore	S$4.10
France	FFr7.00	Lux	LFr60	Spain	Pta175
Germany	DM2.80	Malaysia	M$4.60	Sweden	SKr13
Greece	Dr200	Morocco	MDh10	Switz	SFr2.70
Hungary	Ft145	Neth	Fl 3.50	Thailand	[illegible]
Iceland	IKr160	Nigeria	Naira15	Tunisia	Din0.900
India	Rs20	Norway	NKr13.00	Turkey	L3000
Indonesia	Rp3700	Oman	OR1.20	UAE	Dh8.00

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SOVIET UNION

Business sense out of chaos

Page 24

World News

Party leader in Japan resigns after poll setback

Ichiro Ozawa, the forceful head of Japan's ruling Liberal Democrats, resigned to take the blame for his party's bitter election defeat at the hands of the Tokyo governor he tried to oust. Page 24; Analysis, Page 4; Editorial comment, Page 22

Reformers elevated

China's parliament approved two economic reformers for senior posts. One of them, Zhu Rongji, 62, the mayor of Shanghai, has been dubbed "China's Gorbachev". Page 4

Neo-Nazis protest

Neo-Nazis chanting "Sieg Heil" and "Poles out" clashed with police in the border town of Frankfurt on Oder as thousands of Poles entered Germany without visas. Page 2

Communists win

Albania's ruling communists gained a crucial two-thirds majority in parliament by picking up more seats in run-off elections, according to preliminary results. Page 2

Premier threatened

A man armed with a pellet-firing pistol, who strolled into New Zealand's parliament building intending to harm prime minister Jim Bolger, was held by police.

Crowd delays trial

Several thousand protesters forced a Yugoslav military court to postpone indefinitely the trial of Croatian defence minister Martin Spegelj on charges of plotting an armed rebellion.

Soldiers arrested

Twenty Hungarian soldiers were arrested on suspicion of mutiny after refusing duty they say caused mental and physical stress. Speeding reform, Page 2

Palestinian jailed

A 26-year-old Palestinian who stabbed four Israeli women to death last month, was jailed for life by an Israeli court. Palestinians freed, Page 4

Fire sweeps town

A fire that began in the market swept through the town of Meiktila, in northern Burma, killing at least 20 people and destroying 6,000 homes.

Editor sentenced

An Indonesian newspaper editor was sentenced in Jakarta to five years in prison for blasphemy against Islam because he said certain pop singers were more popular than the religion's founder.

Warning to Aquino

The Philippines' deputy armed forces chief resigned, warning president Corazon Aquino that she was inviting military unrest by passing over senior officers in choosing a new chief of staff.

Changing Finland

Finnish president Mauno Koivisto met party officials for talks which could lead to a coalition government that excludes the socialists for the first time in 25 years.

Spanish petrol strike

Spanish motorists faced long queues at the few filling stations left open when 25,000 pump attendants and other staff began a four-day strike.

Air crash theory

The effect of gravity on a pilot's inner ear, creating a false sense of climbing, could have been a factor in several recent light aircraft crashes in Australia, the country's Bureau of Air Safety said.

Astronaut steps out

An astronaut from the US space shuttle Atlantis took a walk outside and shook free a tangled antenna in the first unscheduled emergency repair in space. Second space walk, Page 2

Business Summary

Europe wary of funding for Latin America private sector

European governments expressed reservations about a US plan which calls on them to provide finance for a new $1.5bn fund to help the private sector in Latin America.

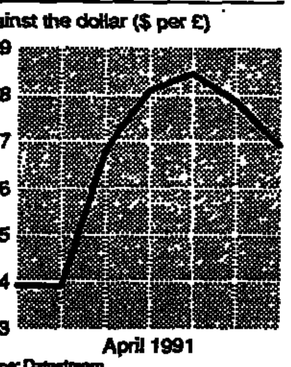
The fund, proposed as part of the Enterprise for Americas initiative launched last year by president George Bush, envisages $500m each provided over five years by the US, Japan and Europe to provide grants for private sector development in the region. Page 24; Brazil's isolation, Page 3

ELSEVIER, Dutch publisher, has sold its 8.9 per cent stake in Pearson, UK publishing and banking group and publishers of the Financial Times, for £180m ($320m) to a banking consortium for placement with institutional investors. The 24m shares were bought for £7.54 each by Cazenove, Smith New Court and Swiss Bank Corp and placed with investors for £7.62. Page 25; Pearson writes down £71m cash investment in BSkyB, Page 26

DOLLAR finished in Europe above Friday's levels in subdued trading. Sterling fell against the dollar, losing 95 points to to $1.7690. Currencies, Page 42

Sterling

Against the dollar ($ per £)



Source: Datastream

Markets: Frankfurt had a dull day with isolated bright spots. The Dax index fell 8.92 to 1,579.95 on volume down from DM6bn to DM4.6bn. Paris was quieter after last week's arbitrage activity, with turnover subsiding from Friday's FFr3.8bn. The CAC 40 index closed down 4.14 at 1,847.57. In Tokyo the Nikkei average closed 159.68 lower at 26,607.65 on volume down from 550m to 500m shares with activity centring on dealer and individual trading. In New York, share prices were little changed in early trading amid uncertainty about whether the Fed will cut interest rates and anxiety ahead of the coming quarterly corporate earnings season. At 1.30pm the Dow Jones Industrial Average was up 1.49 at 2,898.27. World Stock Market reports, Back Page, Section II.

HACHETTE, French publishing and broadcasting group, has frozen a FFr380m ($68m) block of its shares owned by a company with Iraqi links. Page 24

PLANS to raise insurance premiums paid by US banks to shore up the federal fund which protects depositors could result in a cut in lending and delay the end of the recession. Page 3

YVES Saint Laurent, French fashion and perfume group, saw profits rise 12 per cent to FFr252m ($45m) last year from FFr225m. Page 26

MONSANTO, US chemical company, has agreed to sell most of its animal feed ingredients business and related assets to Mitsui & Co, Japanese trading house, and Nippon Soda, aleading Japanese chemical company, for around $300m. Page 28

SAPPORO Breweries, Japanese brewing group, is to issue warrant bonds worth Y46.5bn ($334m) later this month, with a maturity set for April 1999, the first Japanese warrant bond issue since Nikon's Y20bn last October. Page 29

European Community leaders back haven ● US pledges aid ● Kuwait extends vote

Britain proposes Kurdish enclave in northern Iraq

By David Gardner in Luxembourg

BRITAIN yesterday called for the creation of an enclave in northern Iraq under UN protection to provide a haven for Kurdish refugees from president Saddam Hussein's army.

The proposal, put forward by Mr John Major, the UK prime minister, to fellow European Community heads of government at a special summit in Luxembourg, envisages the possible use of force to ensure a safe territory for the Kurds.

"We would hope there was no need to enforce it," a British official said, but if Mr Saddam refused to honour his offer of an amnesty for the Kurds "we would have to think about using force".

British officials at the summit said Sir David Hannay, Britain's ambassador to the United Nations, would be putting the plan to an informal meeting of the Security Council following talks with Mr Javier Pérez de Cuéllar, UN secretary-general.

The summit leaders were last night said by EC diplomats to be strongly behind the enclave plan, a version of which was hinted at over the weekend by Mr Dick Cheney, the US defence secretary.

Mr Major also called for a substantial aid package for the Kurds. The prime minister told his colleagues in Luxembourg: "We cannot just dress the wounds of the Kurdish people. We have to try to put a stop to the blood letting of Saddam Hussein."

The legal basis envisaged for any use of force to provide a safe haven for the Kurds would be Security Council resolutions 688 – mandating the UN to take further steps to secure peace and security in the area – and 687, which empowers the council to secure immediate access for humanitarian organisations, and to do everything to help the civilian population in the region.

UK prime minister John Major (right) with Belgian premier Wilfried Martens

British officials said Mr Major had not discussed the idea with US president George Bush but that the UK "had strong reason to believe the US will like it".

Though acknowledging that China, in particular, as well as the Soviet Union, would have difficulty accepting measures which could be construed as interference in another state's internal affairs, one official said: "We've done things at the UN in the last 12 months that we could never have done before."

The amount of emergency aid for the Kurds being discussed last night had as one benchmark the Ecu150m ($186m) suggested by Mr Major, who also called for no let-up in sanctions against Iraq and for the establishment of a UN register of all arms sales.

This suggestion picks up on a Dutch proposal now being worked on by officials from member states.

Yesterday's summit, originally called to discuss a common EC foreign and security policy in the light of the Gulf crisis, was overshadowed by the Kurdish drama.

● Michael Littlejohns writes from the UN in New York: Mr Pérez de Cuéllar gave a cautious response when asked about a similar suggestion buffer zone put forward at the weekend by Turkish president Turgut Ozal.

"I don't think it is impossible, but of course it would be in Iraqi territory, which would raise problems of sovereignty and I don't know if we can impose on Iraq a special area. That would be complicated," he said.

Earlier the UN chief said he planned to send a humanitarian mission to look into the problem of the Kurdish refugees.

There is speculation in the UN that the mission may be led by Prince Sadruddin Aga Khan, a former UN High Commissioner for refugees.

War Crimes; Palestinians released; Picture, Page 4

Kuwait gives more people the vote

By Mark Nicholson in Kuwait City

KUWAIT expects to double the size of its electorate in time for elections in 1992 by extending the franchise to women and to naturalised citizens previously denied the vote.

Dr Abdul Rahman al Awadi, minister of state for cabinet affairs, giving the clearest indication yet of the government's view of the country's medium-term domestic political outlook, said elections would be held in September next year at the earliest.

However, he hoped that by then the emir would have passed a decree to extend the vote to women over the age of 21. This would double the size of the electorate, he said.

At present, only men over 21 who can prove Kuwaiti citizenship in their families predating 1920 are entitled to vote – a total of just over 63,000 people. This compares with a population before the Iraqi invasion of about 2.5m, including many foreign workers.

The move towards elections and the extension of the franchise follow increasing pressure from opposition groups since liberation to restore and enlarge Kuwait's democratic institutions.

The vote may also be extended to what are defined in Kuwait as "second category" citizens, Mr al Awadi said yesterday. This group essentially comprises long-standing Kuwaiti residents, including some Palestinians, who satisfy complex requirements of naturalisation and who are of a certain social status.

However, Dr al Awadi said the formation of political parties, at present banned in Kuwait, would not be permitted before the elections.

In a speech on Monday night, the emir outlined his commitment to hold a ballot for the National Assembly, which he suspended in 1986 along with key parts of the country's 1962 constitution.

Most opposition groups, including the Islamic Constitutional Movement and Democratic Forum, have insisted that the government call elections within six months and fully restore the constitution immediately.

But Dr al Awadi said elections could not be held so soon

Continued on Page 24
War crimes trials, Page 4

UK stock exchange to overhaul constitution and membership

By David Waller in London

CHAIRMEN of quoted companies and senior fund managers will be represented for the first time on the top policy-making body of London's International Stock Exchange following a decision to overhaul the exchange's constitution and the way it is run.

The Council of the Stock Exchange, the top ruling body whose membership is drawn almost exclusively from the stockbroking and market-making community, yesterday voted unanimously in favour of measures which will lead to its own replacement later this year.

Under the new proposals, the council is to be replaced with a slimmed-down board. Representatives of stock exchange member firms will drop from 25 to 14, while for the first time senior businessmen and institutional investors will be appointed as non-executive directors.

Mr Andrew Hugh Smith, stock exchange chairman, said that this reconstitution of the exchange at the highest level was designed to reflect the structure of the securities industry today. "It is a major step forward for the stock exchange," he said. "It will help us react more clearly and coherently to a rapidly changing world, and help us provide our services more efficiently."

The board will be responsible for setting the exchange's long-term strategy and for overseeing the formation and execution of policy. The stock exchange said that the changed composition of the board was "a natural consequence of the many changes which have taken place in the securities industry over the past five years, and will reflect the exchange's broader focus as a provider of market services".

Since the deregulation of the UK securities industry – Big Bang – in 1986, the stock exchange has faced the task of evolving from being a private members' club. The structure of the council, dating back to the pre-Big Bang days when the exchange was no more than a trade association, has seemed increasingly anachronistic.

"Since Big Bang the exchange has gone through a period of dramatic development and change which encompasses screen-based trading, the expansion of international trading . . . and the planned complete reengineering of our trading and settlement systems and processes," Mr Hugh Smith said.

"More recently the exchange has moved away from its traditional role as a trade association and focused its role as a provider of services to the market as a whole."

The new board will consist of the chairman, chief executive, chief financial officer and up to three further member's of the exchange's executive management team – plus, as non-executives: two senior investors; two chairmen or chief executives of listed companies, one banker and 15 representatives of various parts of the securities industry.

The proposals will be voted on by the 420 member firms on July 9.

Baker calls for massive effort to aid refugees

By John Murray Brown in Çukurca

A MASSIVE international relief effort to aid Kurdish refugees was called for yesterday by Mr James Baker, US secretary of state, who condemned their plight as "nothing less than a crime against humanity".

"At the very least it amounts to a conscious deportation of the population of north Iraq," he said on a visit to the Çukurca refugee camp in south-east Turkey.

Mr Baker was visibly affected as he was greeted by spontaneous applause from thousands of Kurds sitting patiently among the rocks and mud at the camp.

Briefing Mr Baker, the local military commander estimated that 280,000 refugees were now inside the Turkish border, most of them at Çukurca and Uludere.

Officials predicted the figure would be 400,000 within a week and 600,000 by the end of the month.

Iran reopened its border to Kurdish refugees yesterday and said that arrivals now totalled more than 770,000 with the possibility of a similar number still to come.

"The figure is expected to reach 1m by the end of this week and 1.5m soon," said Mr Vahid Dastjeridi, head of the Iranian Red Crescent Society.

The refugees, huddled together in freezing mountainous areas, needed at least 150,000 tents and 2m blankets, he said.

An official added that the government had sent in 20 planeloads of essential supplies, but this was not enough.

Meeting first with a group of Pesh Mergas, the Kurdish guerrillas fighting the Iraqi regime, Mr Baker promised massive humanitarian assistance at the border.

Mr Baker said he would do everything to help before the refugees were able to return to their homes.

"It's quite obvious these people have nothing. It is up to the international community as a whole to do something," said Mr Baker during his tour of the border with Mr Kurtcebe Alptemocin, Turkey's foreign minister.

The refugees' plight was emphasised by one of the Kurds who pushed through Mr Baker's security cordon. "You must do something to help us. We have come all along the

Continued on Page 24

Changes to rail shuttle wagons may delay Eurotunnel

By Andrew Taylor, Construction Correspondent, in London

THE CHANNEL tunnel is expected to be unable to offer a full service to travellers when it opens in 1993 because of a delay in delivering rail shuttle wagons.

Eurotunnel warned yesterday that this was likely to reduce revenues from the project for the first six months of operation. The Anglo-French group said delays were expected because of changes in the design of fire doors separating rail shuttle wagons to meet strict safety standards.

The intergovernmental commission established to oversee the project has insisted that fire doors between wagons carrying passenger vehicles be widened by 10cm to allow easier access.

The Canadian, Belgian and French manufacturers of the rolling stock have warned Eurotunnel that they will be unable to deliver sufficient of the redesigned wagons to enable a full service to start when the tunnel opens in June 1993.

Eurotunnel, which announced its annual results simultaneously in London and Paris yesterday, said it planned to start a limited "tourist service" from September 1993 with a full service delayed until December. "This will reduce anticipated revenues in 1993," said Sir Alastair Morton, Eurotunnel chief executive.

The safety commission had also warned that the design of semi-open-sided wagons to carry heavy goods vehicles would be unacceptable if submitted in its present form.

Discussions were continuing, but until these issues were resolved there remained the "risk of additional cost and delay", said Sir Alastair.

He said the group, which last November raised an additional £2.7bn ($4.8bn) to offset rising costs, had sufficient provisions to cover extra cost arising from a delay in starting a full service. Discussions were also taking place with manufacturers to see if lost time could be recovered. It would be several months before the group would be able to determine the full effect on revenue flows.

This would not affect the long-term viability of the project which remained on target to make its first profit in 1998, said Sir Alastair.

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Background, Page 8

CONTENTS

Japanese LDP leader's exit may be merely a career hiccough

Ichiro Ozawa, who resigned as head of Japan's ruling Liberal Democrats, is one of the new generation of Japanese politicians and many believe he is unlikely to be out of politics for long. Page 4

MARKETS

STERLING
New York lunchtime:
$1.769
London:
$1.769 (1.7785)
DM2.9875 (2.9775)
FFr10.105 (10.075)
SFr2.535 (2.51)
Y242.75 (242.5)
£ Index 92.8 (same)

GOLD
New York: Comex Jun
$364.0 (362.1)
London:
$361.55 (357.5)

N SEA OIL (Argus)
Brent May
$18.95 (18.6)

Chief price changes yesterday: Page 25

DOLLAR
New York lunchtime:
DM1.6885
FFr5.7115
SFr1.43125
Y137.15
London:
DM1.6885 (1.6735)
FFr5.7125 (5.665)
SFr1.4325 (1.412)
Y137.25 (136.3)
$ Index 65.3 (64.8)
Tokyo close: Y137.0

US LUNCHTIME RATES
Fed Funds 5.93%
3-mo Treasury Bills:
yield: 5.82%
Long Bond:
98$\frac{3}{32}$
yield: 8.17%

STOCK INDICES
FT-SE 100:
2,529.9 (-15.4)
FT Ordinary:
1,999.0 (-15.5)
FT-A All-Share:
1,225.31 (-0.6%)
New York lunchtime:
DJ Ind. Av.
2,899.01 (+2.23)
S&P Comp
375.89 (+0.53)
Tokyo: Nikkei
26,607.65 (-159.68)

LONDON MONEY
3-month interbank:
closing 12$\frac{1}{32}$% (12$\frac{3}{32}$%)
Life long gilt future:
Jun 93$\frac{1}{8}$ (92$\frac{3}{4}$)

Brussels probes alleged EC steel cartel

By **Andrew Hill** in Luxembourg and **Charles Leadbeater** in London

AN ALLEGED cartel in steel products for the construction industry, involving some of Europe's leading steel manufacturers, is being investigated by the European Commission.

The investigation, which began with raids to seize documents from a clutch of steel producers in mid-January, may signal a tougher EC line on competition in the industry as its faces its worst downturn since the early 1980s.

The inquiry focuses on sales of heavy steel sections and beams by British Steel, Usinor Sacilor of France, Germany's Peine Salzgitter and Arbed of Luxembourg. Commission officials also visited the offices of Ensidesa, the Spanish producer, and Ilva, the state steel combine.

The producers could be liable for fines of up to 10 per cent of annual sales, if the EC finds they have been operating a cartel. Last year several producers were fined a token Ecu425,000 for operating a stainless steel cartel. The fines were limited because the EC acknowledged it was itself deeply involved in regulating competition in the industry through its "manifest crisis measures".

However, the ending of EC production quotas in June 1988 was meant to pave the way for a competitive market. This change of context could mean the producers would be open to much heavier penalties than in the stainless steel case.

The EC produces about 8m tonnes of heavy beams and sections a year, 5.8 per cent of total Community steel output, with British Steel and a recent alliance between Usinor-Sacilor and Arbed accounting for half the production.

British Steel said it had co-operated fully with EC officials who had arrived unannounced at its Teesside plant on January 16. Usinor Sacilor said it did not expect to hear from the Commission for at least three months. EC officials said the inquiry could take at least a year. The stainless steel inquiry, which was dogged by conflict between different EC directorates, took more than two years to complete.

The investigation was triggered by an inquiry last year by Norwegian competition officials into its market for construction steel which found there were agreements limiting the amount of competition from imports from EC producers.

Steel industry analysts believe it is unlikely there would have been explicit price fixing. Instead, there may have been agreements to maintain stable market shares by limiting import competition.

Despite over-supply of construction steel, largely because of the downturn in construction activity, consumers say prices have not fallen by as much as they would have expected.

Ministers fail to end farm impasse

By **David Gardner** in Luxembourg

EC ECONOMY and finance ministers made little headway yesterday in breaking the impasse over farm spending, replicating in their own ranks the divisions which have prevented agriculture ministers from agreeing a farm price package for this year.

Unless progress can be made soon, said one minister, the farm budget dispute might have to be passed on for heads of government to resolve.

Britain, supported by the Netherlands, again insisted that the "guideline", or ceiling, on spending fixed at a special summit in 1988, had to be maintained. The other 10 EC partners, led by France, continued to argue that the cost of integrating east German farmers into the common agricultural policy should be financed outside the farm budget.

Mr Norman Lamont, UK Chancellor of the Exchequer, said: "It would be quite wrong to weaken the rules for the agriculture budget the first time they are put to the test. We can't have rules only for fair weather."

The European Commission has proposed price cuts in this year's price package, which would nevertheless see a record increase of 30 per cent to Ecu32.5bn (£22.8bn). It contends that the root of the budgetary problem is chronic over-supply fuelled by unsustainable levels of price support. It has temporarily shelved radical proposals to deal with the problem in the hope that a conventional, if restrictive, price package would clear the decks for reform.

Instead, farm ministers already hostile to the outlines of the reform have so far refused to accept what, in the circumstances, are mild cuts. In theory, under as yet untested rules agreed in 1988, the Commission can force the issue after two months.

Caution on moving to stage two of Emu

By **Andrew Hill** in Luxembourg

FINANCE ministers from Germany, Denmark and the Netherlands yesterday said they would resist any automatic move to stage two of European economic and monetary union (Emu) until EC countries had achieved a strong degree of economic convergence.

During the latest round of the inter-governmental conference on Emu here yesterday, most EC finance ministers supported calls for convergence. The German, Danish and Dutch representatives said member states should take an explicit decision before moving on to stage two.

"Before entering stage two we should be able to see objective progress on convergence," said a German official. There was little discussion about whether such decisions should be based on a unanimous or a majority vote.

Britain, which has formulated its own Emu strategy for a "hard" European currency and a European Monetary Fund, also believes that decisions on the substance of the move to stage two should precede decisions on the schedule. This currently envisages transition to stage two in January 1994.

A senior European Commission official said yesterday that Brussels supported a "very well-drafted" compromise proposal from Luxembourg, which holds the EC presidency. The Luxembourg paper says simply that before the beginning of stage two, EC governments and the Commission should "evaluate" progress achieved on economic and monetary convergence.

However, British officials said the presidency's compromise was "not sufficient to ensure convergence".

Stage two was the least clearly defined of the three steps to Emu planned by Mr Jacques Delors, the Commission president. It was originally seen as the period in which a European central bank would be set up, but there is a continuing dispute over whether the bank should be established at the beginning of stage two, or the end, in 1997.

Finland to ban cartels

A FINNISH government committee is drawing up stricter anti-trust legislation which would not only explicitly prohibit cartels but give the state-run Office of Free Competition (OFC) the power to hand out strict fines, writes Enrique Tessieri in Helsinki.

The legislation should also aim to correct some of the serious imbalances within the national economy, which have been fuelled by the lack of healthy competition and strict laws on foreign investment, it says.

But some observers feel that the incoming government, currently being put together by the nationalistic Centre party, could delay the proposed anti-trust and more liberal foreign investment legislation from becoming law.

Existing Finnish anti-trust legislation which came into force in 1988 does not directly forbid price cartels and oligopolies from dividing markets between themselves. Companies cannot be directly fined if they are found guilty of enforcing a price cartel.

State cash for Sabena under scrutiny

By **Andrew Hill** in Luxembourg and Reuter in Brussels

THE European Commission is investigating Belgian plans to pump large sums into Sabena, the state airline, and is considering a full inquiry into France's proposed FFr6bn (£600m) injection of fresh capital for Bull, the computer-maker, and Thomson, the defence and electronics group.

A spokesman said yesterday that Brussels had received a Belgian government request for clearance of the Sabena money on Friday and was examining it. It would decide within two months whether to approve the payouts or ban them as unfair state aids.

The Belgian government in March announced a BFr35bn (£573m) aid package for Sabena in an attempt to entice a foreign airline to take a stake in the ailing carrier.

The spokesman said Brussels also intended to look at French plans to plough close to $400m into Air France.

The Bull and Thomson investigations would aim to discover whether the capital injections, announced last week, constituted illegal state aid to the two companies.

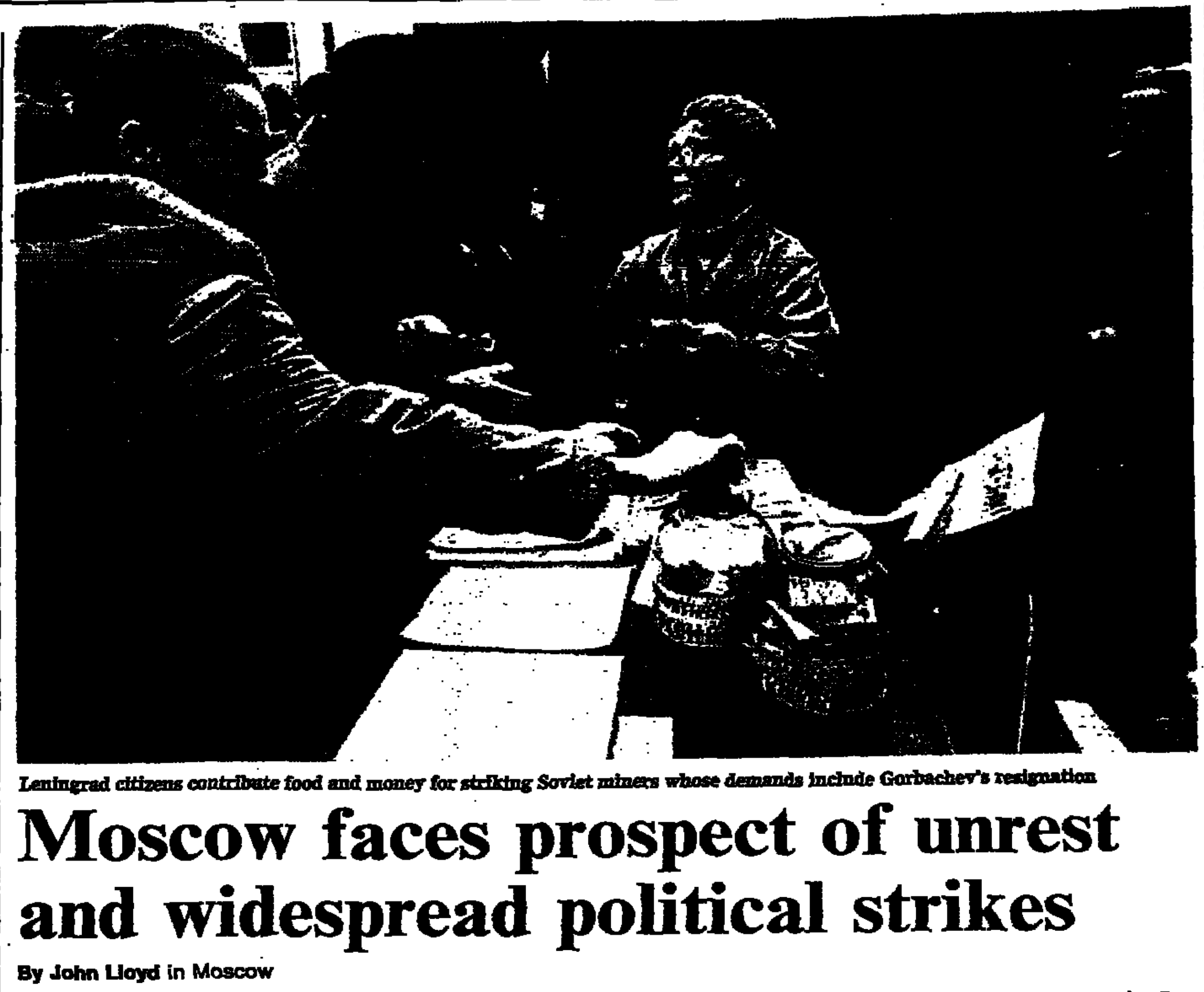
The Commission is expected to make a formal statement about the French government proposals today in Brussels.

Sir Leon Brittan, the competition commissioner, who was attending yesterday's meeting of EC finance ministers in Luxembourg, said the Commission had to decide whether the capital injections were subsidies or normal investments.

"In the case of a public sector investment we must determine whether or not a private sector investor would have done the same thing," he said. "If it's a subsidy we would have to see if it conformed with EC competition rules."

Brussels is also likely to consider whether the French policy is compatible with other EC schemes such as regional aid or research programmes.

The capital injections are due to take place later this year, and it is unlikely that Brussels will be able to take formal pre-emptive action.



Leningrad citizens contribute food and money for striking Soviet miners whose demands include Gorbachev's resignation

Moscow faces prospect of unrest and widespread political strikes

By **John Lloyd** in Moscow

THE political strike weapon took on greater edge yesterday in the Soviet Union, as Georgia's president warned of a general strike in his republic from today and more miners backed political demands.

Mr Zviad Gamsakhurdia, the Georgian president, said in a message to Mr Mikhail Gorbachev, the Soviet president, that the republic would join "the demands of workers on strike in the USSR".

While striking miners are calling for the resignation of Mr Gorbachev and the Supreme Soviet, the Georgians' main demand is for the removal of Soviet interior ministry troops from South Ossetia, where violence between Georgians and Ossetians is reported to be increasing.

The Soviet government's fear is that, in the present politically dangerous period, the demands of the miners will intersect with a wave of protest over the price rises.

Mr Thomas Kolesnichenko, a senior political analyst on the Communist party's main newspaper Pravda, said yesterday that "this period recalls the Polish situation, when prices went up and there were huge protests. The workers may not take such things from a communist government now".

Reports from the main coalfields in the official press and from independent news agencies said that representatives of opposition parties – such as the Democratic Russia party, the Ukrainian Republican party and others – were holding meetings over the weekend.

In the Kuzbas, the main coal basin in the Russian Federation and the most politically militant area, production was reported as being "almost at a standstill". The official news agency Tass said that local newspapers had carried a protest from 11 Russian deputies about the calls by Democratic Union activists for pits to be taken over.

In a report from the Donbass capital of Donetsk, the independent news agency Postfactum said the Republican Party, the Rukh popular front organisation and other anti-Communist movements were represented at a strike meeting on Saturday.

Postfactum quoted a local miners' leader, Alexander Ivashchenko, as saying the strike had been called "because we do not trust the Soviet President or government who have led the country to collapse."

According to Postfactum, Ivashchenko, strike committee chairman in a major pit complex, said the Kremlin "has no programme to get out of the crisis and in our present political system is incapable of improving the life of the workers."

Mr Boris Yeltsin, the Russian leader, promised last week that he would seek to solve the miners' strike, fresh from his victory in securing extra powers and with the prospect of a popular election for his post in sight. Most observers believe that Mr Yeltsin must fulfil at least some of his promise to improve the economic situation in Russia over the next two months, or risk a loss of support.

Meanwhile, the authorities remain nervous of the effects of the price rises a week ago. Leaders of the Belorussian republic are negotiating with engineering workers who walked out last week in protest at price rises.

A group of Moscow's traditionally quiescent students demonstrated for higher grants in front of the City Hall, claiming that the price reform had "turned student poverty into destitution".

German neo-Nazis assault Poles at border

By **Leslie Colitt** in Berlin

GERMAN neo-Nazi youths hurled paving stones at a bus and cars carrying Polish visitors across the border yesterday as visa requirements for Poles were lifted by the German, Italian, French and Benelux governments.

The assault by about 250 youths happened at the border crossing point of Frankfurt on Oder. Two people were injured on the bus, which was carrying musicians back to Poland. Several Poles who walked across the bridge over the Oder river frontier were spat upon and abused as they reached German soil. Similar incidents were reported from two other border crossings.

In contrast with the hostile reception, Mr Manfred Stolpe, prime minister of Brandenburg state, which borders Poland, appealed for "hospitality and tolerance" towards the Poles and leaflets were handed out to Polish travellers welcoming them to Germany.

Relations between Germans and Poles, strained since the Second World War, are not expected to normalise until the enormous economic gap between them is narrowed appreciably.

Hostility among some Germans towards Poles peaked last year when a total of 20m Polish travellers visited Berlin and towns in the border area. Many sold alcohol, cigarettes and food to earn D-Marks and bought out the stocks of discount shops.

Last week, Mr Dieter Heckelmann, head of Berlin's interior department, won the support of many Germans in the border region but antagonised others by saying that Berliners could not be expected to again tolerate the "illegal trade, crime and filth" brought in by up to 100,000 Polish visitors each weekend. He said the authorities would keep strict watch on Polish offenders who would not be allowed back to Germany.

His remarks were criticised sharply by Mr Norbert Meisner, Social Democratic (SPD) head of Berlin's economics department, who warned against "hysteria" which served to fuel animosities against foreigners.

Many Germans were relieved when the Bonn government clamped down last October 3, German unification day, on the previously unlimited entry by Poles to West Berlin. The German Construction Workers Union yesterday called on employers and the government to prevent the illegal hiring of low-paid Polish building workers in Germany.

Mr Krzysztof Skubiszewski, the Polish foreign minister, appealed to his fellow citizens to conduct themselves abroad in a "civilised" manner.

Kohl makes overture to opposition

CHANCELLOR Helmut Kohl has indicated a readiness to co-operate more closely with the opposition Social Democrats. The government spokesman said yesterday that Mr Kohl would be seeking a meeting as soon as possible with Mr Hans-Jochen Vogel, the SPD leader, writes David Goodhart in Bonn.

There has been growing speculation about a temporary "grand coalition" to help deal with the integration of east Germany, but neither Mr Kohl's Christian Democrats nor the SPD is yet taking the idea seriously.

Before last December's election Mr Kohl expressed no interest in inviting the SPD to participate in a "round table" for east Germany.

But in light of the increasingly gloomy mood in the east, some sort of co-operation with the SPD although well short of a coalition, now seems likely.

The offer of limited co-operation might not be attractive to the SPD who will feel implicated in the government's past mistakes without being able to exert influence over future policy.

On the other hand, if Mr Kohl was to offer the SPD a chair at his regular meetings on east Germany with both sides of industry it will be difficult for them to turn down.

French encouragement for Warsaw plan to join EC

By **William Dawkins** in Paris

FRANCE WILL support Poland's application to join the European Community as soon as Warsaw is able to meet membership conditions. This will be the main point of a friendship treaty to be signed today between Presidents Lech Walesa and François Mitterrand.

It will be the first time Poland has signed an accord of this kind with a western country and is expected to give a political lift to Poland's negotiations for an association accord with the EC which is to come into effect from 1992. That would give easier access to Community aid and trade.

Poland's ambassador to Paris, Mr Gerzy Lekazewsky, said his country also intended to implement EC legislation at home, leading to a possible application for entry at the end of this decade or early next.

The occasion for the French treaty is a three-day visit beginning today by Mr Walesa, accompanied by three senior government ministers, during which the Paris government will also offer a substantial reduction in Poland's $5.2bn (FFr29bn) official debt to France.

Mr Mitterrand indicated on Polish television a possible cut of FFr2bn-FFr3bn, though the final figure will be settled between the Polish delegation and the French Finance Ministry. Any reduction will come on top of the 50 per cent write-off agreed by the Paris Club of creditor nations last month for all of Poland's $33bn borrowings from foreign governments.

This will be a significant gesture from France, Poland's second largest creditor. It comes only a three weeks after Mr Pierre Bérégovoy, the finance minister, criticised the US decision to write off 70 per cent of its own $2.9bn of loans to Poland, a much smaller exposure than France.

Mr Bérégovoy warned that indebted countries might damage their own interests by seeking bilateral rather than multilateral debt reductions. Mr Lekazewsky emphasised that any debt reduction was of prime importance to Warsaw's attempts to revive the Polish economy.

EC-Hungary impasse, Page 6

Hungary aims to speed the pace of reform

By **Judy Dempsey**, East Europe Correspondent, in London

THE HUNGARIAN government will set up legal instruments over the next few weeks to speed up privatisation, define property rights, and prepare the currency for full convertibility by 1993, according to Mr Mihaly Kupa, the finance minister.

Mr Kupa, who was appointed last December, made clear in an interview at the weekend that he is keen to press ahead with the reform package at a much faster pace. He wants to attract greater foreign investment into the country, encourage a broader-based market system, and integrate Hungary quickly into the European economy.

The government, led by the conservative Hungarian Democratic Forum (MDF), "wasted too much time in pushing through legislation after it was elected (a year ago)."

Mr Kupa believes the hesitation was due to "a lack of a clear direction. There were several economic advisers [to Mr Jozsef Antall, the prime minister] who had different views about the pace of change. This led to a certain inertia in decision-making."

However, following the reorganisation of the government last December, it appears that Mr Kupa's plans for implementing a strict monetary policy, aimed at curbing inflation which is running at 35 per cent, and reducing the state's role in the privatisation process, now prevail.

His sense of urgency has been prompted by the collapse of trade between Hungary and the Soviet Union, following the introduction of the dollar payment system in January.

This development has helped to cause a decline in gross domestic product, which will contract by 4 per cent this year, and has increased Hungary's international payment obligations by $2bn to $3.95bn.

The legislative programme, which Mr Kupa expects to be passed before the parliamentary recess in June, includes:

- Defining property rights which will enable foreigners and Hungarians alike to buy and sell land. By 1994, Mr Kupa expects that half the state's property will be in private hands. Currently, less than 8 per cent of all property belongs to the private sector.
- Transforming the Hungarian National Bank into a central bank to shape monetary policy and create greater competition among commercial banks in terms of interest rates and credits.
- The maintenance of wage regulation as long as state ownership remains dominant in the economy. At present, the centralised regulation of wages affects 80 per cent of the labour force.

Despite this heavy legislative programme, Mr Kupa is confident that the programme will finally dismantle the vestiges of the former communist system.

Mihaly Kupa: keen to press ahead more quickly with economic reform

EUROPE IN BRIEF

Albania to form government of experts

ALBANIAN prime minister, Mr Fatos Nano, said he would ask opposition experts to join a coalition, after the ruling Communists won a two-thirds majority in the first multi-party elections for nearly 50 years, Reuter reports from Tirana.

In his first interview with foreign media since the elections, Mr Nano said only a "government of experts" could stop political unrest and end the deep crisis in Europe's poorest economy.

"People are tired of unnecessary political debate. Now they need the basic conditions to work, to live better," Mr Nano told Reuters and the international television news agency Visnews.

The 39-year-old reformist Communist said good experts had been elected to parliament from the four-month-old opposition Democratic Party.

"We should co-operate with the political forces present in parliament from this position: the best expert to tackle a problem will have the portfolio," Mr Nano said.

Mr Nano, a university economist, was brought in to head a transitional government by President Ramiz Alia in February after unrest in Tirana during which thousands of protesters tore down a giant statue of late Stalinist leader, Mr Enver Hoxha.

Political sources said Mr Nano was virtually certain to be asked to head the government when parliament meets.

Cyprus urged to cut deficit

The International Monetary Fund has strongly urged the Cyprus authorities to act now to slash the budget deficit and to reduced excess liquidity, Andreas Hadjipapas writes in Nicosia.

The budget deficit has tripled as a percentage of GDP over the past two years. In a report prepared after a 10-day visit, an IMF team warned that, on current trends, the budget deficit could widen to 5-5.5 per cent of GDP this year, from 2.5 per cent in 1990 and 1.5 per cent in 1989.

The IMF praised Cyprus for the prompt action it had taken to cushion the effects of the Gulf crisis on the island's economy. The damage containment was successful, warranting a temporary widening of the budget deficit and some relaxation of monetary policy.

East German pensions rise

The parties in Germany's ruling centre-right coalition have agreed that pensions in the former East Germany should rise by 15 per cent from July 1, government spokesman Mr Dieter Vogel said, Reuter reports from Bonn.

After the rise, average pensions in the economically depressed region will be around half those in west Germany.

Government officials said the extra cost of DM2.1bn ($1.2bn) would be financed out of social security funds and not from the already overstretched government budget.

Mr Vogel said details would be announced after the cabinet formally approved the decision.

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Canadian regional politics stronger

By Bernard Simon in Toronto

THE search for a solution to Canada's constitutional problem is likely to be further complicated by moves to broaden the reach of two increasingly influential regional parties, one in Quebec and the other in the west.

The Bloc Quebecois, a breakaway group of nine nationalist Quebec MPs, could be considerably strengthened following a decision by the separatist Parti Quebecois to support the BQ in the next federal election.

Across Canada, the fledgling Reform Party of Canada, which began as a movement to represent the west's interests, decided at a convention in Saskatoon to seek support for its right-wing platform across the country.

The Reform Party's platform of no special treatment for Quebec, fiscal conservatism and an end to official bilingualism has struck a resonant chord in the past year, especially in rural areas. According to recent opinion polls, the party has moved ahead of the ruling Conservatives in some parts of the west, especially Alberta.

The Reform Party has only one MP in Ottawa, but one of its members two years ago became the first senator to be endorsed by a popular vote.

The Parti Quebecois decision to throw its weight behind the BQ could cost federal Prime Minister Brian Mulroney's Conservatives valuable backing in Quebec. The Parti Quebecois, which is a provincial party, has quietly channelled its resources to the Conservatives in the past two federal elections, helping them achieve a virtual clean sweep in the francophone province. The Conservatives hold 56 out of 75 Quebec seats in the House of Commons.

The BQ was formed last year when the nine MPs split from both the federal Conservative and Liberal parties to give Quebec nationalists a stronger voice in Ottawa. The BQ, whose leader is former a Conservative cabinet minister, Mr Lucien Bouchard, has promised to run candidates in all 75 constituencies in the next federal election, likely to be held either late next year or in early 1993.

Brazil shows perturbing isolation

Stephen Fidler reports on the annual meeting of the IADB

BRAZIL'S minister of economy, finance and planning does not mince words. Angered by the delay in a loan to Brazil from the Inter-American Development Bank, Ms Zélia Cardoso de Mello delivered a ferocious speech to the usually subdued annual meeting of the bank.

She described the decision to delay the \$300m loan as "illegal and unacceptable". The decision "put at risk the bank as a financial institution".

She said that, if this was the price for the bank's new capital increase (the loan-delaying mechanism was introduced as part of the capital increase negotiations), then it was an "excessive price" to pay. She even lectured the US on keeping its budget deficit in check.

The loan was delayed for two months to signal the concern of of the Group of Seven industrialised nations, led by the US, about Brazil's \$8bn in interest arrears to commercial bank creditors. After five months of talks with the banks, progress on settling the backlog was slow.

The G7 saw the arrears as a threat to the international financial institutions to which Brazil is a large debtor. There was also concern in the G7 about Brazil's almost overt use of arrears as a bargaining chip with the banks. This was overlaid by a particular US worry that Brazil's behaviour could add to the financial fragility of some of the large US banks.

There were many at the meeting who sympathised with the Brazilian position. As they saw it, the development bank was being used as a little more than a collection agency for commercial banks.

But, in going ahead with the speech, Ms Cardoso was ignoring the weekend advice of officials from some other Latin American governments.

They suggested the issue be allowed to blow over: an agreement with the commercial banks on arrears is all but completed and the US was expressing a willingness, once this had happened, to let the loan go ahead.

Partly because of this, her tough speech – probably made with a domestic audience in mind – was viewed widely in Nagoya as underlining the increasing isolation of the administration of president Fernando Collor de Mello, not only from its bank creditors, but also from industrialised countries led by the US and even its neighbours in Latin America.

It underlined to bankers and officials here what are seen as mistakes of style, tactics and substance in the Collor administration's international financial dealings.

First, style: A speech in the style of 1980s Brazilian finance ministers was not viewed as the most constructive, in front of an audience of sceptical Japanese financiers waiting to be convinced of the region's widely vaunted economic transformation. It reinforced prejudices that the administration in Brasília is becoming more aloof and insular.

Second, tactics: If Brazil had offered token payments to bank creditors six months ago, it may well have avoided tangling with the G7 and conceded less to the banks than it now has. Its tactical approach to the negotiations played into the bankers' hands, it is said, and further soured relations with the bankers.

By contrast, Argentina, which is paying only \$60m a month in interest – a fraction of the scheduled amount – is now viewed more constructively by bankers. It is meanwhile reducing its debt through privatisations where banks can swap debt for equity.

The most significant issue, though, is that of substance. Officials from governments and multilateral agencies are divided.

Some consider the commitment by the administration to economic reform to be the most important issue, despite the lack of success in tackling Brazil's apparently intractable economic problems. It is this which is worthy of international support, they argue.

Another, and growing, school, holds that the current administration is already a lame duck economically and that a golden opportunity for reform has been lost because of inept economic management.

Whatever the truth, Brazil continues to disappoint its many sympathisers.

Cardoso: Angry

US bank insurance cost rise opposed

By Peter Riddell, US Editor, in Washington

PLANS to raise insurance premiums paid by US banks to shore up the federal fund which protects depositors could result in a cut in lending and delay the end of the recession, according to the main banking associations.

Their complaint comes as both the recapitalisation of the bank insurance fund and the Treasury's proposals for longer term restructuring of the industry have come under attack from a wide range of affected parties. These objections are likely to be aired at Senate and House banking committee hearings this week.

The Federal Deposit Insurance Corporation has proposed raising the premium paid by banks from 19.5 cents to 23 cents for every \$100 of deposits, following a 7.5 cent rise last year. This is needed as the first stage of a rescue intended to prevent the fund becoming insolvent over the next 18 months as more banks fail.

The groups – the American Bankers' Association, the Association of Bank Holding Companies, the Association of Reserve City Bankers and the Consumer Bankers' Association – argue that the industry will have to pay an additional \$3bn in premiums this year, compared with 1990, which will cut into earnings and capital reserves.

"Any decline in capital will affect the ability of banks to lend in their local areas. In parts of the country still in the throes of recession, the increase in assessments will come almost entirely from capital and may delay recovery in those regions," they say.

Moreover, the groups argue that the loss of \$3bn a year in retained earnings useable for capital is roughly equal to a loss of almost \$25bn a year in new credit that would otherwise have been extended.

Separately, controversy has developed over proposals to cut deposit insurance coverage. Local and community bankers are opposing limits on the number of deposits to be protected (as well other proposals for nationwide branch banking), which, they believe, would favour large banks.

By contrast, Wall Street securities houses, led by Merrill Lynch, are opposing a related proposal to remove insurance protection from brokered deposits, funds placed at banks and savings bodies by brokers.

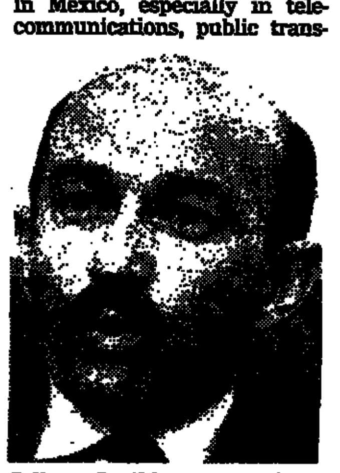
These bundled deposits earn higher returns while still enjoying federal insurance coverage. The administration argues that such brokered deposits have allowed weak banks and savings and loans to survive and expand.

Salinas asks Ottawa to back free trade accord

By Bernard Simon

PRESIDENT Carlos Salinas de Gortari of Mexico brought his initiative for a North American free trade area to Ottawa yesterday, in a speech to parliament emphasising the potential benefits to Canada of a US-Mexico-Canada pact.

Mr Salinas noted "very broad opportunities" for Canadian products and technology in Mexico, especially in telecommunications, public transport, irrigation and the environment. He also tried to soothe Canadian opponents of the trade deal by pointing to recent progress Mexico has made on cleaning up the environment.



Salinas: Soothing opponents

During his three-day visit, Mr Salinas will meet some of the strongest opponents in Canada of a tripartite trade deal. They include Mr Bob Rae, premier of Ontario, and Ms Shirley Carr, president of the Canadian Labour Congress. His itinerary also includes a visit to Montreal to meet Quebec Premier Robert Bourassa, an avid supporter of the 1989 US-Canada free trade pact.

Recent polls indicate that just over half of Canadians oppose a North American trade pact. Labour and human rights groups have warned that free trade with Mexico would mean further exploitation of low-paid Mexican workers and job losses in Canada. Several Canadian companies, especially in the motor parts sector, have already moved plants to Mexico to benefit from lower costs.

S America unhappy with US over cocaine issue

By Sally Bowen in Lima

ANDEAN countries are becoming disillusioned with increasing US involvement in the struggle against the drugs trade. It also seems certain that the signing of Peru's bilateral agreement on military and economic assistance will be further delayed.

An Andean Commission of Jurists' conference last week in Lima, concluded that few positive results had been seen from the US economic assistance promised during last February's four-nation drugs summit in Cartagena, Colombia.

Representatives from the parliaments, judiciaries, armed forces and popular organisations in Colombia, Bolivia and Peru also expressed fears over the "militarisation" of the conflict.

This coincided with news from Bolivia that a US Galaxy transport aircraft had landed in La Paz with 90 tons of munitions for the country's anti-drugs effort, under controversial authorisation granted only hours earlier by the Bolivian Congress.

A bilateral anti-drugs agreement between Peru and the US has been awaiting signature for several weeks. Available in draft form only, it coincides with the thrust of the 1990 Cartagena accord in accepting co-responsibility in the drugs problem and proposes a "joint venture" to confront it.

Peru produces about 60 per cent of the world's coca leaf from which cocaine is made. Between 100,000 and 200,000 small growers and their families depend on it for their living. The draft bilateral agreement recognises the need to persuade these growers to substitute their coca crops in return for legality, land titles, access to credit and other advantages of a free market economy.

However, peasant coca-growers look certain to comprise the main obstacle to the bilateral agreement. At last week's conference, the leader of the People's Defence Front of San Martin, Peru's chief coca-growing region, denounced projected US aid to the military and the plan's lack of real economic alternatives. "We shall defend coca with our lives," he promised.

Peruvians are starting to measure the political costs against the financial carrot of co-operation with the US – this year \$39.9m in aid to Peru's underfunded military and anti-narcotics police, with another \$87.7m in "drugs-related economic aid".

This is equivalent to around 1 per cent of the total US anti-drugs budget, "maybe better than before, but hardly an equitable contribution," according to Mr Gustavo Gorriti, a writer.

Foreign investment up in Venezuela

By Joe Mann in Caracas

TOTAL direct foreign investment in Venezuela last year increased by 16 per cent to \$3.58bn, according to the Venezuelan government. In early 1990, the government decreed a liberalisation of the foreign investment code.

This liberalisation essentially eliminated most of the problems foreign investors had been complaining about for years, including heavy controls on profit remittances, reinvestments, technology transfer and investments in certain economic areas formerly barred to foreigners.

While some of the \$495m in foreign investment last year was fresh capital, including the proceeds of debt-equity swaps, an important share was made up of reinvestments of retained earnings by foreign companies already in Venezuela.

Second space walk for astronauts

TWO astronauts who left their space shuttle to fix an antenna left the craft again yesterday for a more leisurely spacewalk, AP reports from Cape Canaveral.

Spacemen Jerry Ross and Jay Apt drifted back into the shuttle's open cargo bay yesterday, less than 16 hours after re-entering the spacecraft following Sunday's emergency outing.

The two made their unscheduled walk when the 17-ton Gamma Ray Observatory's antenna could not be extended by electronic signals from the ground. They shook the antenna loose, then got an early start on their intended space-walk.

Flight directors said yesterday's space walk had gone as planned. Sunday's space walk was the first by Americans in over five years.

INTERNATIONAL NEWS

Kuwait to start war crimes trials in two weeks

By Mark Nicholson in Kuwait City

THE Kuwait Ministry of Justice said yesterday it was holding 628 Iraqis and other nationals in connection with alleged war crimes and would start the first trials within two weeks.

Mr Abdul Aziz al-Dakhil, Ministry of Justice under-secretary, said the detainees included high-ranking Iraqi officers accused of torture and murder, crimes which he said could carry the death penalty.

He said other nationals – although he would not say how many or of what nationality – were also being held for alleged collaboration with the Iraqis. Mr al-Dakhil said that in some cases this crime might also be punishable by hanging.

Allegations against some of the 628 are still being investigated. Mr al-Dakhil said at least 50 of the Iraqi soldiers being investigated had been handed over to Kuwait by the allied forces after liberation.

The trials, which will be conducted individually, will be held "in a normal court under martial law", he said. Three civilian judges and two Kuwaiti military officers will preside over the most serious cases. Proceedings will be open to the press and public only at the judges' discretion.

Mr al-Dakhil said that the International Committee of the Red Cross had visited each detainee under investigation.

Each of the accused will be allowed a defending lawyer and Mr al-Dakhil said Iraqis would be free to choose legal assistance from Baghdad if they wished. The defendants' right to appeal will be limited to the power of Sheikh Saad al-Abdullah al-Sabah, the Crown Prince, to revise punishment at his discretion.

Mr al-Dakhil, who will represent Kuwait this week during talks in Riyadh with Iraq over the exchange of prisoners of war, said Iraq still held almost 5,000 Kuwaiti soldiers and civilians. Iraq has so far returned more than 6,000 captured Kuwaitis.

He said Kuwait had detained "a few" non-Kuwaitis who were seeking entry to the country and whose identity he said was still being investigated.

Asked whether the Justice Ministry was investigating widespread reports of abuses against Palestinians in Kuwait, including killings, Mr al-Dakhil said he was "not aware" that any such cases were being looked into by the ministry.

Lilley seeks Kuwait contracts for UK

By Michael Cassell, Business Correspondent

MR PETER LILLEY, the trade and industry secretary, yesterday embarked on a three-day mission to Kuwait as part of a British bid to win a share of reconstruction work in the aftermath of the Gulf war.

Mr Lilley, who was accompanied by a group of businessmen, will be pressing the Kuwaiti authorities to ensure that British companies have an equal opportunity to obtain a share of the work available.

There were complaints from British companies that they were, in effect, excluded from the first phase of rebuilding contracts, let immediately after the cessation of hostilities, with most of the work going to the US Army Corps of Engineers. The British government is anxious to ensure that British companies do better in subsequent stages of reconstruction.

Mr Lilley will meet the Kuwaiti crown prince and other ministers during his visit and also will discuss the prospects for longer-term trade between the two countries. He said that his delegation would emphasise the experience and expertise of British companies, particularly in fighting the country's oil field fires.

He added: "Before hostilities broke out, British trade with Kuwait amounted to something like 10 per cent of manufactured imports and it seems likely that it will be a higher proportion in future."

Among the businessmen accompanying Mr Lilley are Mr Bill Pirie, a director of Sir Alexander Gibb and Partners and representing the British Consultants Bureau, Mr David Cawthra managing director of Balfour Beatty, Mr Anthony Cotton, a director of Hanson Trust, representing the Building Materials Council, Mr Ronald Garrick, chief executive of Weir Group and Mr David Douglas-Home, chairman of the Committee for Middle East Trade.

Shots from embassy

Police said yesterday that up to 24 shots from automatic weapons had been fired from the Iraqi embassy in Stockholm early on Sunday morning at protesting Kurds, Robert Taylor writes from Stockholm.

Israel frees 1,000 Palestinians before Baker talks

By Hugh Carnegy in Jerusalem and Peter Riddell in Washington

THE Israeli authorities last night announced the release of more than 1,000 Palestinian prisoners and the easing of the tax regime in the occupied territories hours before Mr James Baker, the US secretary of state, arrived for talks with the government.

Although officials denied it, the announcement appeared timed to impress Mr Baker, whose visit is the latest stage in Washington's efforts to promote an Arab-Israeli peace settlement in the wake of the Gulf war. Mr Baker, on his second trip to the region since the war ended, will also visit Egypt and Syria.

The US has called for both the Israeli and Arab sides to make "confidence building" gestures to help smoothen the path to a proposed regional peace conference. Mr Baker, who has sought to lower expectations of what may come from his talks in the region over the next few days, has told reporters accompanying him that there is a danger of any positive momentum resulting from the end of the Gulf war disappearing unless there is a breakthrough soon.

"The reason for the trip was because we don't know how long this window of opportunity might last. We don't think things should be permitted simply to drift.

"It's been over three weeks since we were in Israel and almost four since we were in Riyadh [on his initial post-war visit to the region], and the president and I felt that it's time to try and push the envelope a little further if we can and see whether or not we can make some progress."

Mr Baker does not see scope for any grand Middle East peace plan and believes the only way forward is through a step-by-step approach with the US acting as a catalyst.

In particular, he has been looking at the possibility of "confidence building" as a preliminary to more formal negotiations.

Yesterday's Israeli announcement might be regarded by the US as a step in the right direction. Mr Baker is also seeking from the Arabs a less hostile attitude towards Israel.

An Israeli Defence Ministry statement said that the prisoner release was prompted by the end of the Moslem fasting month of Ramadan, which concludes this week.

Similar releases have frequently taken place in the past, though usually of smaller numbers. Israel holds a total of about 15,000 Palestinians from the territories.

The ministry said the decision to implement tax reforms was meant to "ease the lives of the Arab population". Few details of the tax reforms were given, but heavy taxation of local businesses was set to be cut and new industries will be tax-exempt for three years to encourage much-needed investment.

A key part of Mr Baker's task today is to seek ways of reconciling Israel's refusal to allow the Palestine Liberation Organisation any role in the peace process with the Palestinian insistence that the PLO must at least play an indirect part.

Despite the prisoner releases, Mr Baker is likely to take a tough line with the Israelis about recent actions by the government of Mr Yitzhak Shamir, the prime minister, including deportations from the occupied territories and further settlements of Soviet immigrants in these areas.

Tokyo governor Shunichi Suzuki after beating LDP challenger

LDP leader's exit may be temporary

MR Ichiro Ozawa, who resigned yesterday as leader of Japan's ruling Liberal Democrats, is one of the new, younger generation of Japanese politicians to have established himself since the Recruit share dealing affair damaged or destroyed the reputation of some of his elders.

Many in the LDP believe the 48-year-old Mr Ozawa is unlikely to be out of politics for long; some say he could back in office before the end of the year – possibly as a cabinet minister.

Mr Ozawa's internationalist approach in politics was being blamed in some quarters yesterday for his losing the Tokyo gubernatorial election. He played a large personal role in international relations. He returned only a few days ago from meetings with President Bush and President Gorbachev.

However, any disruption to Japan's relations with the US and other foreign countries is likely to be short-lived since the substance of Japan's foreign policy is likely to remain unchanged.

The LDP took some consolation yesterday in the fact that the party made overall gains elsewhere in the country and in prefectural assembly elections.

But in Tokyo, the LDP appeared to have underestimated the strength of the sympathy vote for the incumbent, Mr Shunichi Suzuki, who was widely seen as the victim of bullying from party headquarters – an old man being set upon by a group of men young enough to be his sons.

Some analysts also saw in the Tokyo result a vote against the foreign policy of Mr Ozawa, notably his efforts to rally national support for the US-led forces in the Gulf. Mr Takayoshi Miyagawa, the head of a private political research centre, said yesterday: "This is a warning from the people that Ozawa's policy is unpopular, both his foreign policy and his domestic policy."

But other observers said the LDP's success outside Tokyo showed the result in the capital had less to do with policies than with the clash of personalities. Mr Takashi Inoguchi, a professor of politics at Tokyo University, said: "This was a vote about local not about national issues."

That may be to play down the result too much. After all, Mr Ozawa has become the first senior LDP official ever to resign after a local election poll. The margin of Mr Suzuki's success indicates a widespread disenchantment in the capital with LDP rule.

Mr Ozawa and Mr Obuchi, his 53-year-old successor, both belong to the intra-party faction headed by Mr Noboru Takeshita, the former prime minister, the largest grouping inside the LDP.

The fact that Mr Obuchi is a senior Takeshita faction figure shows that the faction's leaders will continue to support the administration of Mr Kaifu.

Kurds grab armfuls of bread as they swarm over a supply lorry at the Iskveren refugee camp in south-east Turkey. It was the first food for up to six days

Pakistan begins Afghanistan peace initiative

By Farhan Bokhari in Islamabad

PAKISTAN'S government yesterday said it was embarking on an initiative to seek a political solution to end the continuing conflict in Afghanistan.

As a first step, contacts would be made with relevant states including Saudi Arabia, Iran, the Soviet Union and the US, Mr Sheharyar Khan, the foreign minister, said. Pakistan had previously backed the Afghan Mujahideen rebels in their 12 years of conflict with the Soviet-backed government in Kabul.

● Switzerland has offered to host informal talks between the two sides in the fighting in Afghanistan, the foreign minister, Mr Rene Felber, said yesterday, Reuter reports from Berne.

Mr Felber was speaking after a five-day visit to Iran and Turkey, where he met Iranian President Akbar Hashemi Rafsanjani and Turkish President Turgat Ozal.

Liberia linked to Sierra Leone border battles

By William Keeling in Lagos

THE Liberian rebel leader, Mr Charles Taylor, has been accused of giving active support to the recent insurgency in neighbouring Sierra Leone in which more than 50 people have been reported killed.

Dr Abass Bundu, the executive secretary of the Economic Community of West African States which is spearheading the peace efforts, said that he had evidence of Mr Taylor's direct involvement in the fighting in Sierra Leone.

Dr Bundu's accusation follows an unexpected visit by President Joseph Momoh of Sierra Leone to Nigeria on Sunday. Diplomats report that during a four-hour meeting with President Ibrahim Babangida, the subject of provision of arms and ammunition by Nigeria was discussed.

Both countries are members of the task force which intervened in Liberia last August. A ceasefire has been in place but Mr Taylor has yet to recognise the interim government.

Immigrant influx raises spectre of Israeli inflation

Hugh Carnegy reports that planeloads of Soviet newcomers are placing a huge burden on the economy

ISRAELIS who had grown used over the past year to television pictures of immigrant Soviet Jews arriving planeload by triumphant planeload got a shock recently when instead they were shown Soviet newcomers sifting through discarded vegetables at a street market.

"Olim (immigrants) are hungry and angry," read a placard at a demonstration by the unemployed outside the prime minister's office a few days later.

Such stark images remain the exception, not the rule. But now that the drama of the Gulf war is past, the daunting issue of how the economy will cope with huge Soviet immigration has returned to centre stage.

The scale of the task was signalled in this year's budget, passed by the Knesset last month. It contained a threefold increase in spending on immigrant absorption, which for the first time will total more than defence expenditure. In the nine months covered, more than shekels 12bn (£3.06bn) is to go on immigration, out of the budget total of shekels 66.5bn.

As a result, the budget deficit, which in the years following a 1985 austerity package was virtually eliminated, is set to at least double as a percentage of gross domestic product from 4 per cent in 1990. The outgoing budget director of the Finance Ministry predicts a level above 10 per cent.

This surge back into deficit inevitably raises the spectre of the early 1980s when inflation hit 450 per cent, deficits rose to 15 per cent of gross domestic product and foreign debt was almost 80 per cent of GDP. The Bank of Israel, which has recommended the deficit should not be allowed to exceed 5.5 per cent, has already warned of these risks.

The rationale is that, with foreign currency reserves buoyant for now, the country can afford short-term deficits because the immigration they fund will eventually generate sufficient growth to pay the bills. It is a path successfully followed in past immigration waves in the 1950s and 1960s.

But will it work again? Immigration last year totalled 200,000 – the vast majority Soviets. The Gulf war slowed the pace, but at least as many are expected in 1991, and perhaps more than 300,000. Within three to five years, the country's present population of 4.7m is set to rise by a fifth by immigration alone. "If you look for a solution to this in the economic text books, you won't find one. I know, because I've looked," laughs Mr Shlomo Ma'oz, adviser to Mr Yitzhak Moda'i, the finance minister.

The prospects of achieving economic performance to match this growth are so far scarcely encouraging. After two stagnant years, GDP expanded by 4.6 per cent last year and the business sector grew by 5.5 per cent. But the population growth meant per capita income declined slightly. This year, when most of an estimated $2-3bn cost of the Gulf crisis will be felt, Bank Hapoalim's economists project GDP growth at around 6 per cent based on 200,000 newcomers, a figure below government estimates of what is necessary.

Investment in fixed assets is on a fast-rising curve, coming off declines in 1988 and 1989 to reach 16 per cent growth in 1990 and likely to expand by another 40 per cent this year. But much is pouring into short-term construction to house the newcomers.

So far, inflation, at around 18 per cent, has not surged. But unemployment, now around 10 per cent, is set to rise and remain high for some time to come, compounded by a growing indigenous labour force.

Perhaps the blackest feature is a near stagnation in export growth, which is regarded as the key to long-term sustainable growth. With foreign borrowing requirements estimated at up to $20bn over the next five years, the Finance Ministry says annual export growth of 13 per cent is required. But exports grew just 1 per cent last year and are not expected to be much better in 1991, partly because of a disastrous collapse of tourism revenues following the Gulf crisis.

Israel has relied for years on huge levels of foreign aid – principally more than $3bn in annual civil and military grants from the US – to bridge the gaps in its financing. It is presently seeking to increase this aid – all non-loan gifts – appealing to the US Government and the Jewish diaspora for more and, most recently, receiving pledges of help from the German government. But these sources may not be enough to plug the gap for much longer.

A long-term surge in productive output is needed, and most politicians and officials agree that requires a further significant shift to the private sector away from the traditional socialist-styled economy.

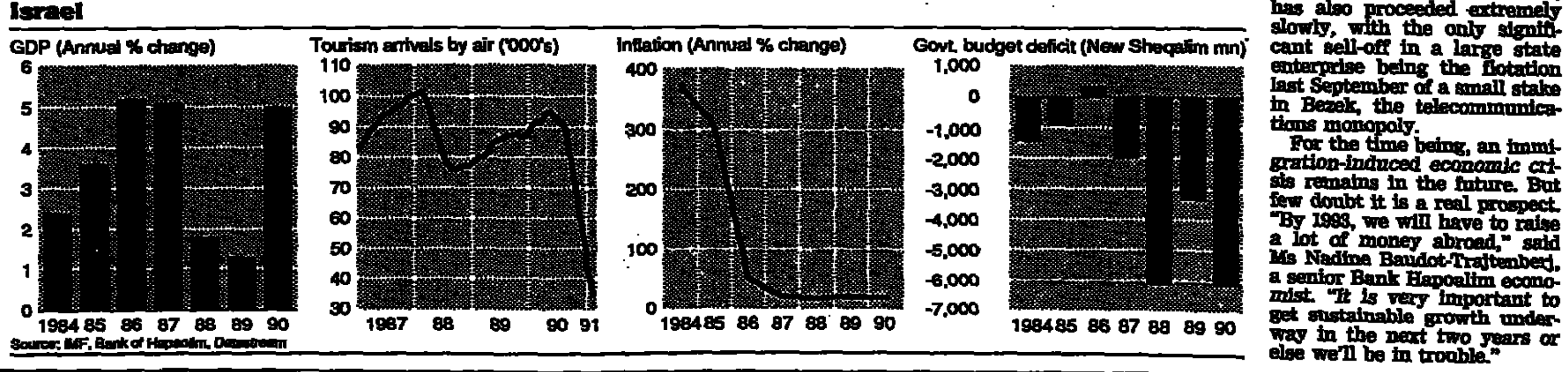
This process began in 1985, and there has been some progress, particularly in the capital markets. But it has been slow and the immigration issue has produced contradictory signals over how to continue.

Certainly a number of key reforms proposed over the past year have either been watered down, delayed or blocked. A package produced amidst great fanfare last September by Mr Moda'i has never been implemented. Its plans to break down rigidities in the labour markets were blocked by the powerful Histadrut trade union federation and its political allies. Proposals to liberalise imports are not due to be brought in until September.

Privatisation, a central plank of the reform plans since 1985, has also proceeded extremely slowly, with the only significant sell-off in a large state enterprise being the flotation last September of a small stake in Bezek, the telecommunications monopoly.

For the time being, an immigration-induced economic crisis remains in the future. But few doubt it is a real prospect. "By 1993, we will have to raise a lot of money abroad," said Ms Nadine Baudot-Trajtenberg, a senior Bank Hapoalim economist. "It is very important to get sustainable growth underway in the next two years or else we'll be in trouble."

Israel



Source: IMF, Bank of Hapoalim, Datastream

Peking posts given to regional reformers

By John Elliott in Hong Kong

TWO of China's leading economic reformers – Zhu Rongji, the extrovert mayor of Shanghai, and Ye Xuanping, the respected governor of the southern province of Guangdong – have both been elevated to senior posts in Peking by the current session of China's National People's Congress.

But while Mayor Zhu's appointment to be one of five vice-premiers almost certainly enhances his role, Governor Ye is losing an important power base in China's most prosperous and economically open province with his appointment as a vice-chairman of the relatively weak Chinese People's Political Consultative Conference.

The primary difference is that Peking's hardliners do not trust Ye, who has been building Guangdong into a free-wheeling relatively autonomous province adjacent to capitalist Hong Kong.

Zhu, on the other hand, appears to have the ear of the current leadership and is said to have been promoted at the behest of Deng Xiaoping, China's veteran leader, who spent several weeks in Shanghai earlier this year.

The appointment of Zhu, who is 62, was announced yesterday. It is expected to give him greater authority, both to speed up the development of Shanghai and to argue for economic reforms across the country. But his influence will be balanced by the appointment of another vice-premier, Zou Jiahua, 64, a minister of the State Planning Commission, and more conservative.

There has been some criticism that Zhu, who is currently in Europe promoting Shanghai, has developed his own personality cult. For that reason he dislikes a tag of "China's Gorbachev", which he has been given by some foreign newspapers, knowing the damage this can do him in Peking. In his new job, he will be less in the limelight.

He became mayor of Shanghai in 1988 and gained a reputation as a pragmatic leader with deft handling of Shanghai's student protests during the 1989 Tiananmen Square crisis, which brought order to the city without a shot being fired. At that time Jiang Zemin, now general secretary of China's Communist party, was the city's party chief.

Zhu believes in harnessing foreign investment and private enterprise to speed up development, but has shown no interest in drastically changing China's Communist system.

He has begun to shake up some of Shanghai's heavy-handed bureaucracy, and has made the city one of the easier places in China for foreign companies to work in. He has also reopened Shanghai's stock exchange, closed since the Communist takeover.

But, most important of all, he has launched plans for a $10bn (£5.6bn) redevelopment in an area called Pudong, across the Huangpu River from the city centre.

Sino-British talks progress

By John Elliott

TALKS between British and Chinese officials in Peking on Hong Kong's proposed HK$100bn (£7.2bn) airport are to continue today in the hope that an improvement in the atmosphere yesterday might lead to an agreement that would allow the project to go ahead.

Mr Douglas Hurd, the British foreign secretary, said the talks were "serious and complicated" when he arrived in Hong Kong last night at the end of a five-day trip to China.

Late on Sunday there was some easing of the tough line that China had taken earlier on issues such as Peking's ability to continue to influence decisions on financial policy and the airport programme.

Boost state power, says Shekhar

By David Housego in New Delhi

MR Chandra Shekhar, the Indian prime minister, yesterday sought to strengthen his image as a non-partisan head of government with radical proposals for reinforcing the federal character of the union by giving more powers to the states.

In a statement intended to focus debate during the election campaign on more long-term issues, Mr Shekhar, a veteran socialist, said: "India is not changing fast enough to keep pace with the rest of the world. Now is the time we must display courage and accept the reality of the emerging trends in the world."

Criticising the excessive centralisation of administrative and economic power in the country, Mr Shekhar called for a programme to provide more autonomy to the states and district and local councils. His most radical suggestion was to propose that larger states might be split in consultation with them and "in keeping with cultural aspirations and [criteria of] administrative efficiency".

Mr Shekhar's statement is intended to capitalise on the growing resentment of the states at the power of the central government and at delays in obtaining funds or project approvals from New Delhi. Reflecting this, Mr Biju Patnaik, the chief minister of the eastern state of Orissa, recently threatened to secede in a gesture designed to arouse public attention. "If I do not revolt, the people of Orissa will revolt", he said.

Reflecting similar frustrations, regional movements have also been springing up in such unlikely states as Gujarat, Bihar and Uttar Pradesh – the latter with a population of 120m.

In issuing what he described as a personal statement, Mr Shekhar hopes to take advantage of the reputation he has won as prime minister to set himself at the head of a reformist movement. If no party emerged with a clear majority in the election to be held in late May, he would then seek to stake his claim as a prime minister above factional politics. In this vein, he yesterday criticised other parties for raising "obsolete ideas on religion and caste."

WORLD TRADE NEWS

EC set for dumping duties on Japan audio cassettes

By David Gardner in Brussels

THE European Commission is this week set to impose definitive anti-dumping duties on Japanese audio cassettes, in a move seen as controversial by some EC member states.

At the same time, the Commission may indicate whether it intends to proceed with more contentious plans to impose anti-dumping levies on imported Japanese audio tape.

This is used in the manufacture, inside the EC, of cassettes, but is being examined as a separate part of the "material injury" caused to EC producers.

Though the Commission has not finished preparing the audio tape dossier, it is already being seen by lawyers familiar with the case as a new "screwdriver" rule designed to keep out imported parts and components, similar to the EC regulation that the General Agreement on Tariffs and Trade (Gatt) outlawed last year.

The Commission last November imposed provisional duties ranging from 14.7 to 22.3 per cent on cassettes imported from Japan. These are now expected to be set at 22-24 per cent.

But the methodology used in the case has attracted criticism. The UK, Ireland, the Netherlands, Luxembourg and Denmark are unhappy with the implications.

While it is normal in anti-dumping cases to go back three to four years, in this instance the reference period has been set further back in 1985-88. The injury is being calculated on the basis of EC producers' market share and turnover in 1985, and on the prices they would have needed then to obtain a 12 per cent profit.

But from 1985 to 1988, Commission officials admit, market share of cassettes imported from Japan fell significantly. That is one reason why audio tape imports are being examined, and indeed, they were originally being treated as part of the same case, opened in January 1989.

Commission officials strongly defend the methodology used in the cassettes case, arguing that anti-dumping practice everywhere always concentrates on what is required to remove the "total injury" to domestic producers.

The dossier is already being seen as a new 'screwdriver' rule designed to keep out imported parts and components

Moreover, one official adds: "I can categorically state that the amount of injury calculated between 1985 and 1988 does not correspond to the measure that will be proposed".

The dumping margin is understood to have been calculated at nearly 60 per cent. "We can justify what we've done," the official stresses.

The Commission maintains it can take many years to establish the effect of dumping, and that the purpose of starting in 1985 was to "use it as a theoretical reference for the future".

Rather than seek to re-establish the *status quo ante*, officials say they are trying to create the conditions in which EC producers can go back into cassette models withdrawn as loss-makers in 1985-88.

"Unless they can go back into some of these models they will go under," one official claims.

The Commission also points out that although the market share of direct imports from Japan fell during the reference period, Japanese companies also imported from South Korea, Hong Kong – also the subject of provisional anti-dumping levies – and the US. Sales swelled in absolute terms, "at the same injurious price".

On the separate inquiry into tapes, the Commission denies any intention to reintroduce the anti-circumvention provisions ruled illegal by Gatt. Officials claim, moreover, that Japanese producers have themselves argued that the EC should confine its investigation to whether parts and components are being dumped as a way of evading duties on the finished product.

Lawyers in the case argue that the Commission is trying to break new ground in anti-dumping practice by calculating injury on an item which not a "like product".

Hungary at impasse on Brussels farm trade

HUNGARY has reached an impasse in its negotiations on an association agreement with the European Community, Nicholas Denton reports from Budapest. Talks are stuck on free trade in farm products and the timing of Hungary's approach to the EC, Hungarian officials said yesterday.

"Without concessions on agriculture, we cannot have a true association agreement," Mr Janos Martonyi, state secretary at the Ministry of International Economic Relations, said. It would be "one-sided".

Hungary has sought cuts in levies on pork, poultry, fruit and vegetables without a formal EC response. A Hungarian foreign ministry official said the EC had only weeks to answer to avoid jeopardising the still-attainable target of associate membership by the start of next year.

Mr Martonyi said Budapest would never accept a move to free trade in two stages. The EC says Hungarian reforms should be reviewed after five years before transition to association continues.

"We believe this is a kind of mistrust," Mr Istvan Kormendy, of the foreign ministry, said. The third obstacle is Hungarian insistence, against EC hesitancy, on reference in the association accord to full Community membership.

Budapest has centred its foreign policy on early accession, planning a formal application next year and full membership in the mid-1990s. The association talks come as it relies more on the EC to make up for insolvency of the Soviet Union.

Exports to the EC rose by a quarter last year, overtaking exports to east Europe. Hungary needs to do this again this year as the Soviet market fails more rapidly. Hungarian exporters face their biggest test this month as the old socialist trading system dies. They used a loophole to carry on trade in transferable roubles, the unit of account of the Comecon trading bloc, until the end of March.

In the process, Hungary ran up a possibly worthless transferable rouble surplus with eastern Europe in January and February equal to over $500m (£282.4m).

EC urges US to speed Gatt talks

THE EC's chief foreign trade negotiator yesterday urged the US Congress to give the Bush administration powers to conclude the Uruguay Round of world trade talks this year, Reuter reports from Brussels.

"As soon as the US Congress decides on the extension of the administration's negotiating mandate, we shall be able to press on towards the remaining political decisions," Mr Frans Andriessen, EC external relations commissioner, said.

The current round of trade liberalisation talks under the auspices of the General Agreement on Tariffs and Trade (Gatt), stalled in December when the EC refused to promise big enough farm subsidy cuts.

Talks have since resumed in Geneva, but the US administration's negotiating mandate expired on March 1. It has asked for a two-year extension, but Congress has yet to decide whether to grant the so-called fast track authority, in which it agrees to vote on the administration's legislation without changing it.

"It would be a great error if the Uruguay Round were not concluded and ratified this year," he told a seminar run in Brussels by the European Institute, a Washington "think-tank".

Mr Andriessen said the discussions had broken down because agriculture had been allowed to overshadow the other 14 trade areas under negotiation.

The Community's position on agriculture was not fully understood or appreciated, he declared.

Caracas seeks European petroleum stake

By Joe Mann in Caracas

VENEZUELA's national oil company, Petroleos de Venezuela (PDVSA) is making new efforts to increase its presence as an investor in Europe's petroleum sector.

Already an equity partner in oil refining and distribution systems in Germany, Sweden, Belgium and the US, PDVSA recently signed agreements with British Petroleum, Elf Aquitaine, Ente Nazionale Idrocarburi (ENI) and Veba Oel, calling for increased co-operation in a variety of areas.

A key element in these agreements is the determination of PDVSA and the European companies to seek new joint-venture business opportunities in petroleum refining and distribution systems in Europe.

This could involve purchasing interests in existing refineries or the construction of new ones.

The Venezuelan oil company, which last year exported an average of 1.88m barrels a day (b/d) of crude oil and refined petroleum products, is investing heavily to increase its petroleum production and exports over the next decade.

Clearly, the agreements with European oil companies are part of PDVSA's global plans to ensure new markets for its future exports. But this search for such markets could pit Venezuela against fellow-OPEC members, such as Saudi Arabia, which are trying to achieve similar goals.

PDVSA has made a good start in Europe. It already holds 50 per cent interests in important oil-refining companies with Veba Oel (Ruhr Oel) and Neste Oy (Nynas Petroleum). PDVSA and Veba were among the international oil companies looking into investment possibilities in refineries located in what was formerly the eastern bloc.

In Venezuela, PDVSA and ENI are partners in large petrochemical ventures. BP and Elf are also working with PDVSA in other businesses.

One of Venezuela's main interests in buying or developing new oil refining capacity in Europe is to make use of its huge reserves of heavy petroleum, and to offer European clients long-term oil supplies from a producer outside the politically-volatile Middle East.

PDVSA holds large reserves of conventional crude oil, and has the world's largest reserves of extra-heavy crude and bitumen in an area called the Orinoco Belt. But to exploit these heavy oil deposits on a commercial scale, PDVSA needs to find foreign investors, to help build refining plants either at home or overseas.

Capping Third World arms bonanza

Peter Montagnon on ways to control the growth in weapons trade

ONE of the most urgent tasks facing the developed world after the Gulf war is to find a way of preventing the proliferation of chemical, nuclear and other advanced weapons into unstable developing countries.

"There is now a strong feeling abroad," says one US official, "that we cannot allow more or less unfettered trade to continue."

Yet finding a way of stopping the trade, which gave Iraq chemical and missile capability and brought it close to nuclear capability, will take a lot longer than it did to oust President Saddam Hussein's forces from Kuwait.

Western officials say that only now as they begin to grapple seriously with the issue have they discovered quite how complex it is. And they are reluctant to be panicked prematurely into any grandiose bureaucratic solutions that might create more problems than they solve.

One possibility, which has been aired by strategic trade experts in the US though not so far espoused by the Bush administration, might be to strengthen the export control regime managed by the 17-nation Co-ordinating Committee on Multilateral Export Controls (CoCom). CoCom groups all of Nato minus Iceland but plus Japan and Australia.

It is widely seen as having been successful in delaying the development of high technology weapons by the Soviet Union and China and is looking for a new role in the post Cold War era.

The idea may be considered, at least in the corridors, at the high-level meeting planned by CoCom in Paris later this month but officials say the whole debate remains, for the time being, ad hoc.

In the short run, the emphasis seems likely to be on strengthening and upgrading the west's existing range of institutional arrangements including the Nuclear Non-Proliferation Treaty, the Missile Technology Control Regime and the Australia group which is concerned with chemical weapon development.

These specialist bodies seek to limit nuclear, missile and chemical weapons proliferation respectively on a world scale. The focus of CoCom has always been exclusively directed towards preventing weapons and sensitive technology reaching the Soviet Union and China.

One of its most sensitive tasks, at which it has been relatively successful, has been to limit exports of so-called dual-use equipment – high technology goods which can have both civilian or military uses. The three specialist arrangements also involve restrictions on dual-use items. For example, the Australia Group imposes restrictions on the export of precursor chemicals which are needed to produce weapons but may also have civilian use.

CoCom has much broader experience in the dual-use field, but it is still directed against the Soviet Union and China. Now that the Cold War is over the list is being radically scaled back and may no longer be an appropriate basis for controlling trade to developing countries.

More important still, the Soviet Union and China need to be involved in any effort to stop weapons proliferation in the developing world as they are themselves important suppliers.

Officials say there are also a number of other serious obstacles to a consensus on curbing arms proliferation in the developing world. Among them is the question of deciding which countries should be targeted by export controls. Up till now the question of how far material restricted by CoCom should be made available to countries outside its immediate target list has been a matter of national discretion. Some CoCom countries are likely to resist the creation of a new regime which limits their right to trade.

The emphasis is likely to be on strengthening the west's existing arrangements to limit nuclear, missile and chemical arms proliferation

Some "friendly" developing countries such as Brazil are themselves large arms exporters. Their involvement is also crucial, but it is not clear whether they could form part of the core group of countries applying controls. And the need for security has to be balanced with the need to avoid giving grounds to developing countries for complaining that they are being denied basic technology needed for economic development.

In a recent report the US National Academy of Sciences, warned that there were no easy answers to the problem of export controls.

It added, however, that there was insufficient co-ordination between CoCom and the other multilateral arrangements established to address nuclear, missile or chemical exports. This should be improved with a long-term goal of eventually consolidating the arrangements.

"The most effective and politically realistic approach involves close co-operation among a relatively small number of countries, combined with a broad mechanism to strengthen and co-ordinate international regimes to which all interested states can be parties," it said. The major players should at least include the US, UK, Soviet Union, France, Germany, Japan and China.

Governments should seek enforcement measures that can successfully focus on those few destinations that pose the greatest proliferation risks. They should develop a new regime, or expand an existing one, to cover proliferation of advanced conventional weapons and related systems. Export controls should focus narrowly on the proliferation risks and activities of greatest concern in order to minimise negative, commercial, developmental and foreign policy impacts, it said.

Despite the glow created by the unprecedented international co-operation in resolving the Gulf crisis, it will be a gargantuan task to fulfil even these pragmatic policy objectives.

**Finding Common Ground: US Export Controls in a Changed Environment. National Academy Press, 2101 Constitution Avenue NW, Washington DC 20418.*

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Public authorities and organisations are relying increasingly on clothing made from NOMEX III. In the U.K. the majority of professional firemen are equipped with NOMEX III. So are an increasing number in Germany. In Italy, all 25,000 members of the national fire service are equipped with protective garments made from NOMEX III. And many military aircraft pilots and car racing drivers wear overalls made from NOMEX III.

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DU PONT

UK ruling backs retrospective pensions verdict

By Eric Short

THE European Court of Justice in giving its historic decision which established the principle of sex equality in company pension schemes, never intended that it would take 40 years to bring about that equality.

This reasoning was the basis of the decision last month by Mr John Bellis, chairman of the Manchester Industrial Tribunal in the case of Barber v Guardian Royal Exchange, that a Mr Alan Roscoe had been discriminated against on grounds of sex when on retirement last May at age 60, he received a reduced pension, compared with a woman of that age, from his employer, the Bolton-based engineering company, Hick Hargreaves.

The UK pensions industry accepts the European Court decision unreservedly that company pensions are pay within the provisions of Article 119 of the Treaty of Rome and therefore have to be equalised.

However, there are different interpretations on the retrospective application of the judgement, which stated that it only applied to pension entitlement after the date of the judgement – May 17, 1990.

Hick Hargreaves took the view that since the pension was based on years of service, pension entitlement related to that pensionable service.

Therefore in the case of Mr Roscoe it contended that it need only equalise benefits relating to the few days between the date of the judgement and Mr Roscoe's retirement.

However, Mr Bellis rejected this interpretation, claiming that if this argument was right "this would mean there would not be enforceable equality in relation to pension rights for up to 40 years. We cannot believe that the European Court of Justice contemplated this for one moment."

Mr Bellis upheld Mr Roscoe's argument that entitlement occurred when the pension became payable and ordered Hick Hargreaves to ensure payment.

This decision could be an embarrassment to the National Association of Pension Funds, which, backed by Counsel's opinion, have advised members that the interpretation of the retrospection aspects of the Barber judgement are similar to those views held by Hick Hargreaves. The decision of Mr Bellis, if applied to all cases, could cost the UK pensions industry as much as £13bn a year in extra costs.

An industrial tribunal decision only applies to the particular case. But it is understood that there are a number of cases of alleged discrimination in pension payments waiting to be heard by tribunals.

Not only does an Employment Appeals Tribunal decision create a precedent in law. The Tribunal could refer the matter to the European Court for a decision on the retrospective element of the Barber judgement. However, Mr Bellis' decision did hold one ray of hope for employers. He said: "We believe that the European Court of Justice intended to protect pension fund trustees from claims by those who had retired before 16th May 1990."

Many retired men who retired before the Barber judgement are seeking equality in their pension payments from the date of the judgement. Such an interpretation could cost the industry an extra £30bn a year and cause administration chaos.

Four inch setback for 30 miles of Channel tunnel

Andrew Taylor looks at the implications for Eurotunnel of the Anglo-French safety commission's code

THE difference of less than four inches in the width of fire safety doors has created the latest headache for the Channel tunnel project which is already running substantially over its original budget. The group last November raised an extra £2.7bn to cover rising costs.

Eurotunnel, the publicly quoted Anglo-French group, which will operate the 30 mile rail tunnel between Britain and France, warned yesterday that changes in the design of fire doors was likely to lead to a delay of up to six months in providing a full service for car and coach passengers.

This had been planned to start from June 1993 when the tunnel is due to open. Sir Alastair Morton, Eurotunnel's chief executive, said a limited service might be unable to start until September. A full service could be delayed until December 1993.

This would substantially reduce the group's revenues during the peak summer holiday season.

The problem has been caused by the insistence of British and French authorities that the width of the fire doors separating the double deck car shuttles be widened from 28 inches to 32 inches. The design of the fire doors for single deck wagons for coaches and other large passenger vehicles have been similarly modified.

The ruling by the Channel tunnel intergovermental safety commission has meant that the Canadian, Belgian and French manufacturers of the shuttle wagons may not be able to deliver all of carriages by the time the tunnel is due to open.

Sir Alastair said Eurotunnel was discussing with Bombardier of Canada, BN of Belgium and ANF of France the possibility of introducing bonus payments to encourage the shuttle wagon manufacturers to make up any lost time caused by the design change.

The three companies are contracted to provide 126 wagons including 18 carriages for loading cars and a similar number of wagons to carry coaches and other larger passenger vehicles.

BORDER CROSSING: earlier this year workmen open a gate between England and France 100 meters below sea level

The need to complete the project as quickly as possible to start earning revenue to repay bank borrowings meant that designs had to be completed and contracts placed before the safety commission had ended its deliberations.

The intergovermental commission has also warned Eurotunnel that the design of its semi-opensided wagons to carry heavy goods vehicles would be unacceptable if it was submitted in its present form. Breda and Fiat of Italy have been contracted to build the carriages. Eurotunnel argues that smoke detection and ventilation systems in the rail tunnels will be adequate to cope with a fire on one of the open sided wagons.

The group said discussions were continuing with the commission. It said: "Until these issues are resolved there remains the risk of additional cost and delay."

The ruling by the Channel tunnel intergovermental safety commission means that the Canadian, Belgian and French manufacturers of the shuttle wagons may not be able to deliver all of the carriages by the time the tunnel is due to open reducing traffic forecasts for the project in 1993.

SNCF, the French state owned railway, previously has said the construction of a high speed rail link between Paris and Calais in northern France may be delayed by up to five months.

The various delays could mean that the Channel tunnel could be carrying much less than its proposed throughput when it opens in 1993.

Plans for a fleet of special international express trains linking British provincial cities with Paris and Brussels have already been halted by technical and financial problems. In addition, the night trains intended to run between Britain's regions and the continent have still not been ordered and appear unlikely to be ready in time.

This leaves the so-called Three Capitals trains - the expresses planned to run between London, Paris and Brussels - as the only pure mainline passenger trains still planned to arrive on schedule.

But delivery of the prototype of these trains is also several months behind schedule, raising fears that the rest of the fleet will be delayed.

Eurotunnel yesterday played down the likely impact on its opening revenues as a result of delays. It says any additional costs had already been taken account of in contingency provisions.

The prospectus issued by the group to shareholders last November forecast that Eurotunnel expected to raise revenue of £393m, net of sales costs, during the final six months of 1993.

Sir Alastair Morton said yesterday that about £160m of this was expected to come from through trains between London and continental Europe operated run by British Rail and SNCF. These trains, despite delays in completing high speed links would still remain very competitive with airlines. Revenue forecasts for this traffic therefore were unlikely to be substantially affected.

Of the remaining £233m about 60 per cent, or about £140m, was expected to come from car and coach passenger traffic. Assuming that a limited service would be availble from September the total revenue risk at worst is to be no more than £100m. It could be much less if delivery of shuttle wagons could be brought forward. This analysis however assumes that there will be no delay in starting a full shuttle service for heavy goods vehicles.

Sir Alastair said that the delay in starting a full service would not affect the long term profitability of the project.

This was still on target to make its first profit in 1998. At worst the projected gross dividend yield over the life of the project would decline from 15.6 per cent to about 15.5 per cent.

The cost of the project has increased from £4.8bn to £7.6bn since 1987. The group however said yesterday that the two rail tunnels which will connect Britain to France will be completed in May and June this year – six months ahead of the revised schedule.

Savings however will not offset the loss of revenue expected as a result of the delays in providing rolling stock.

Eurotunnel's share price which had opened at 508p before yesterday's statement had slipped to 488p by the close.

Lex, Page 34

MOTOR INDUSTRY

Lucas signs deal to supply components for Toyota plant

By Paul Cheeseright, Midlands Correspondent

LUCAS is joining the list of big UK motor component suppliers to Toyota, the Japanese car manufacturer which is building a new £700m assembly plant at Burnaston in central England.

The automotive subsidiary of the engineering group said yesterday that it had signed prototype contracts with Toyota for rear drum brakes, batteries and wiring harnesses.

Toyota has selected more than 80 per cent of the 150 component suppliers for the Burnaston plant and said that it would have a complete list in two months time. Half the suppliers are in the UK and half in continental Europe. Apart from Lucas, the British suppliers include GKN and Triplex, part of the Pilkington group. Japanese suppliers with British plants include Nippondenso.

All suppliers are subject to prototype contracts. Their products will be subject to testing once trial production starts at Burnaston next year. If that testing is successful Toyota will sign purchase contracts.

Toyota's expansion in the UK, allied to that of other Japanese manufacturers – Honda at Swindon in western England and Nissan at Sunderland in the north east – is an important factor in widening the European components market. But the technical demands of the Japanese groups and the growing presence of Japanese component manufacturers have set off a process of restructuring among European component groups.

By 1995, Toyota will be buying annually about £700m worth of components, of which 85 per cent will be of European origin. By mid-1993, the group expects 60 per cent of its components to be European-made.

With the selection of component suppliers nearly complete, Toyota is now putting more emphasis on the purchase of plant equipment. One Midlands supplier to have emerged is Verson International. But the search for equipment suppliers is international. By contrast, the last phase of purchasing for Burnaston, involving goods and services used in the running of the plant, will be concentrated locally.

Rover Group to invest £24m at Swindon site

By John Griffiths

Rover Group is to invest £24m in a second advanced car body panel press at its Swindon pressings plant, bringing total investment in such equipment to £58m.

The first press, capable of producing panels more than twice as rapidly as conventional equipment, is due for delivery at Swindon in July and should be operational next year. The second will be brought into use in mid-1993.

The presses are intended to produce body panels for external customers as well as Rover's range of vehicles.

The most important external customer for the plant is expected to be Honda, which is due to start production at its own car production plant near Swindon from the end of next year, building up to annual output of 100,000 cars a year.

No contracts have yet been signed, although the two companies – which have 20 per cent cross-shareholdings – a-reunderstood to be in negotiations.

The Swindon pressings plant already numbers both Renault and Rolls-Royce among its customers.

The investment was described yesterday as a vote of confidence in the Swindon plant, at a time when it has been undergoing redundancies, mainly because of falling production at Rover's Cowley facilities, which produce the Maestro, Montego and Rover 800.

The Montego and Maestro are due to be phased out of production in the early 1990s, when the Cowley South car assembly plant is closed.

Rover recently announced that another 120 job cuts were needed at Swindon in addition to 326 redundancies announced last November.

● Jaguar, the Ford-owned luxury car maker, returned to full production yesterday, after two months of working one week on and two weeks off because off depressed demand worldwide.

The move reflects the lowering of stocks to more acceptable levels rather than any significant upturn in demand. Jaguar, like most other luxury car makers, has been hit by severe sales downturns in its major markets, notably the US and the UK.

The end of short-time working follows by a few days a disclosure that Jaguar is seeking further voluntary redundancies among its 8,000 assembly workers in addition to 1,000 jobs lost through just-completed early retirement and voluntary redundancy programmes.

UK NEWS

Anglo-Irish meeting to welcome new talks

BRITISH and Irish ministers meet in Belfast today for what is expected to be the penultimate Anglo-Irish Conference meeting before talks start on the province's political future, writes our Belfast Correspondent.

Some unionists, who favour retaining links with London, are reported to be irritated that a further conference meeting is planned next month to formally signal the suspension of Anglo-Irish meetings for a set period while inter-party talks take place.

The view among unionists is that since agreement on a talks formula has been reached, Mr Peter Brooke, the Northern Ireland Secretary, and Mr Gerry Collins, the Irish Foreign Affairs Minister, should have been able to conclude business today.

Both sides are likely to express satisfaction with the talks deal.

Under Mr Brooke's plan, the province's constitutional parties will discuss arrangements for governing Northern Ireland before he decides when Dublin ministers are brought in to discuss North-South relationships.

The third strand in the talks process, towards the end of a three-month period, will be discussions between the UK and Irish governments, possibly leading to a new deal to replace the Anglo-Irish Agreement.

Dates and venues for the inter-party talks are still being finalised but Parliament Buildings at Stormont, on the outskirts of Belfast, appears the most likely option.

While the impending talks will figure highly during today's conference, the meeting has a full routine agenda. Security will be discussed and Mr Jeremy Hanley, Northern Ireland's new Health Minister, is expected to make his conference debut during talks on health issues.

● A Fermanagh woman was forced to run half-a-mile with a bomb by the IRA yesterday. The woman was forced to place the device outside the Belleek RUC station. No-one was injured when the device exploded minutes after it was was planted.

Interest rate cuts fail to boost consumer demand

By Rachel Johnson, Economics Staff

CUTS in interest rates failed to give an immediate boost to consumer demand, according to government figures released yesterday.

February's figures for consumer credit and retail sales, published by the Central Statistical Office, indicated that the recession was still entrenched.

They added weight to arguments for further easing of borrowing costs while sterling remains high and strong within the European exchange rate mechanism.

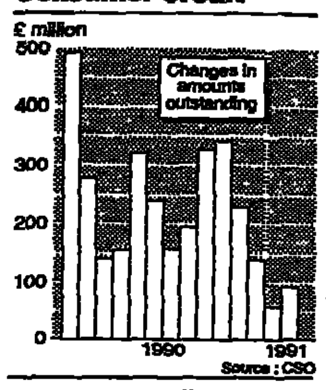
The government started a series of interest rate cuts in mid-February to bring base rates to 12.5 per cent from 14 per cent.

The CSO announced that the amount of new credit advanced to consumers in February was £3.6bn, after £3.9bn in January. It was the smallest monthly advance for 1½ years. Over the three-month period, new credit totalled £11.8bn, after £11.9bn over the previous three months.

Net credit growth – which accounts for credit repaid – is showing an even sharper drop. From a £342m peak in October 1990, the increase in the amount outstanding on consumer credit agreements with building societies, finance houses and on bank credit cards fell to £98m in February. In February 1990, net credit was growing at almost three times this rate.

"These figures imply there has been no resurgence of consumer confidence after the end of the Gulf war," said Mr Don Smith, economist at Greenwell Montagu, the investment house. "Consumers are now scaling back borrowing as well as repaying credit card debt."

Consumer credit



Source: CSO

Weak demand conditions also showed up in a survey carried out by Infolink, the independent credit reference agency, and retail sales figures.

Infolink said that finance houses were experiencing demand falls of 10 per cent for the second month running as consumer confidence showed "no sign of recovery" and that recent base rate cuts had had no immediate effect.

Only in the home loans sector were figures slightly up on last year, reflecting the tentative hope that the housing market has finally bottomed out, it said. Demand for credit in the retail sector was 6 per cent down on the year.

This tallied with the latest government estimate of retail sales. After reporting last week that retail sales volumes were flat in February – after an initial estimate of 1 per cent growth – the CSO announced yesterday that volumes actually declined by 0.1 per cent between January and February.

This confirmed the initial scepticism with which the provisional figures – hinting at a retail recovery – were greeted at the time.

Stoy Hayward angry as London institutions force audit switch

STOY HAYWARD, the UK's tenth largest audit firm, yesterday expressed its anger and disappointment at the conduct of unnamed City institutions which have forced one of its quoted clients to move its audit to a Big Six firm, writes David Waller.

Stoy, which has attracted criticism in recent months because a seemingly large number of its audit clients have collapsed, has been dropped as auditor by Amber Day Holdings, a quoted clothing retailer.

Mr Philip Green, chairman of the retailing company, said yesterday that a number of large City institutions had expressed their concern about Stoy and that although he was satisfied the firm had done a good job, he had given in to this pressure from the City.

Major shareholders in Amber Day, where pre-tax profits rose from £56,000 to £3.02m between 1986 and 1990, include the Prudential, with a 7 per cent holding, and Midland Montagu and John Govett, with just under 10 per cent each. None were prepared to comment yesterday.

Mr Paul Hipps, Stoy's senior partner, said the firm was "angered and disappointed that major institutions should use their position to undermine our role as auditors without justification and with no discussion with ourselves."

He added that he would seek a meeting with any institutions which had reservations about his firm. "We will seek reasons for their reservations and we will seek to reassure them," he said.

Stoy, one of the fastest growing medium-sized firms of accountants in the 'eighties, has attracted bad publicity following the failure of a spate of its audit clients. These include: Polly Peck International; Sock Shop; the Levitt Group and Homes Assured.

The firm was also auditor to Astra Holdings, the munitions group being investigated by the Department of Trade and Industry.

Further bad publicity came in November last year when its affiliate in the US became the first large accountancy firm to go bankrupt. The firm has asserted that it is satisfied with its audits of the above companies and believes that corporate failure is being unfairly blamed on auditors.

BRITAIN IN BRIEF

Seamen end pay dispute on N-ships

Industrial action involving ships carrying nuclear waste between Japan, Italy and the UK has been halted after agreement has been reached on a 12.1 per cent pay increase for merchant navy officers.

The officers last month rejected a 9 per cent pay offer from James Fisher and Sons which manages the six ships on behalf of Pacific Nuclear Transport, in which British Nuclear Fuels has a majority shareholding.

Officers, who voted by eight to one for industrial action, decided that when ships returned to the north-west port of Barrow-in-Furness they would refuse to take them out.

British Nuclear Fuels, the largest UK single earner of Japanese Yen said the deal was reached after negotiations with Numast, the officers' union.

Poor report for science teaching

A quarter of first year science teaching in British primary schools was unsatisfactory last summer term, according to an official report.

Insufficient resources, the lack of suitable staff and inadequate classroom space all hindered the teaching of the country's national curriculum science.

The findings come in the first evaluation by HM Inspectorate of Schools of Key Stages 1 and 3 for science since the national curriculum was launched in Autumn 1989.

The results are based on visits to 208 primary, 35 middle and 231 secondary schools in 87 location education authorities during the school year 1989-90.

Cost of barrage across the Mersey rises to £1bn

The cost of a proposed electricity-generating barrage across the River Mersey (above) has risen from £880m to just over £1bn – a 14 per cent increase – according to a report by the consortium planning to build it. The consortium – the Mersey Barrage Company – plans to dam the Mersey between Liverpool and Birkenhead in north-west England forcing the river through turbines designed to produce enough electricity for three quarters of the areas's needs. But opponents, mainly in the shipping and petrochemical industries, claim it will disrupt shipping and commerce around the Mersey river estuary.

Minister rejects poverty study

A European Commission study reportedly showing a high level of poverty in Britain has been dismissed by the government.

Mr Nicholas Scott, social security minister, said the survey was based on arbitrary figures.

The survey said a greater proportion of the population in Britain was living in poverty than in any other EC country. Of all the people in the Community defined by the study as poor, one in five was said to live in the UK.

Labour updates policy review

The opposition Labour party is to publish a further general policy statement next week, to update the work of its policy review.

The document, due to be approved by the National Executive Committee, Labour's ruling body, will take account of changes over the past year, such as the party's re-launched industrial policy and Britain's entry into the European Exchange Rate Mechanism.

Drilling plan at Hadrian's Wall

Plans to allow an oil company, Arco British, to drill for oil near Hadrian's Wall in northern England has been criticised by conservationists.

Northumberland County Council has given permission for an oil rig to be erected about 50 yards from the 2,000-year-old Roman remains. But critics fear it could lead to other drilling operations.

English Heritage, the conservation organisation, said yesterday "This is a world heritage site and ranks in importance alongside the pyramids of Egypt."

Abta seeks insurance cover

Insurance cover of £7m is being sought by the Association of British Travel Agents this week to give it added protection against any further collapse of UK travel companies. The cover will be in addition to a levy of Abta's 3,700 members to pay for a series of holiday companies which have gone bankrupt without adequate protection.

Superleague for soccer clubs

The English Football Association has unveiled plans for an 18-club premier division of the country's top soccer clubs.

A meeting of the Football Association (FA), the game's governing body, has decided it should establish a Premier League within its own administration despite strong opposition from senior members of the Football League, which administrates the four divisions of football clubs in England and Wales.

It has decided that the so-called Superleague, known officially as the "FA Premier League" should start in season 1992-93.

The FA is convinced that a pruned-down premier division, featuring the country's richest clubs, would help to breathe new life into an increasingly unwieldy competitive programme which has hampered the development of the English national team.

Arsenal, the big north London club, has backed the plan.

Its executive Mr Ken Friar says the proposals will "ensure a successful and healthy football industry".

FT LAW REPORTS

A digest of cases in Hilary term

ARAB MONETARY FUND v HASHIM AND OTHERS
(FT, February 26)

BY agreement an organisation was set up known as the Arab Monetary Fund, which was to have independent juridical personality and the right to litigate. The United Arab Emirates (UAE) was an independent sovereign state and by its constitution, a treaty entered into by the UAE became binding on and within the UAE, after confirmation and ratification by decree. It was alleged that the director general of the fund stole about $50m from the fund which he then laundered through the respondent banks. The statement of claim was struck out at first instance and in the Court of Appeal on the ground that the fund lacked the capacity to sue. Allowing its appeal by a majority judgment the House of Lords held that although a treaty could not become part of UK law without intervention of parliament, by comity the UK courts recognised a corporate body created by the law of a foreign state recognised by the Crown.

K/S NORJARL A/S v HYUNDAI HEAVY INDUSTRIES CO LTD
(FT, March 5)

THE defendants sought to have the arbitrators dismissed as not fit and proper persons to act when they had stated, after their appointment, that they could not make a binding commitment in 1992 for three months and be wholly unsecured for fees. In the circumstances, the Court of Appeal held, the commitment sought by the parties subsequent to their appointment was of such an extent as justified a request to consider a payment of a commitment fee and did not of itself amount to misconduct – still less did it warrant removal.

However, if without the concurrence of the defendant, an agreement were now to be concluded between the plaintiff and its arbitrators or a third arbitrator, that would probably constitute misconduct and would at least be undesirable because of the imputation of possible bias.

ITALIA EXPRESS
(FT, February 15)

ON THE present appeal the question was whether legal professional privilege could be claimed for documents which were not previously in a party's possession, which had not come into existence for purposes of litigation, but which had been obtained by his solicitors for that purpose. The courts must not encroach on a litigant's right to seek and obtain legal advice under the seal of confidence, nor on his and his legal adviser's right to prepare for and conduct his case without revealing the effect of that advice. But it was hard to see how those rights were infringed if a party was obliged to produce an original document which was in existence before litigation was in the air, and obtained from a third party for purposes of the litigation, but which the third party could be compelled to produce at the trial without ground for objection. The fact that a solicitor had obtained a potentially important pre-existing original document from a third party should not enable the solicitor's client to exclude that document from the forensic arena. There would be a real threat to the interests of justice if the law were otherwise.

RE INSTITUTE OF INDEPENDENT INSURANCE BROKERS
(FT, February 19)

FORD Motor Company and General Accident operated a scheme under which each purchaser of a new Ford Fiesta, Escort or Orion was provided with free motor insurance for one year. The scheme aroused much hostility among insurance brokers and intermediaries. The Independent Insurance Brokers (IIB) wrote to about 12,000 insurance brokers and intermediaries recommending that they should cease placing business with General Accident from January 1 1991, and make every effort to re-broke existing business. The boycott was to last initially for six months, and would be reviewed. Granting an application by the director general of Fair Trading for an interim order restraining the IIB from the boycott, the Restrictive Practices Court held: (i) there was no reasonable prospect of IIB persuading the court that the boycott was necessary for public protection; (ii) it could not be shown that GA's measures had been taken in order to restrict competition; (iii) GA did not control a preponderant part of the market; (iv) the boycott directly discouraged competition and (v) was likely to cause material detriment to GA pending a final court order.

R v INLAND REVENUE COMMISSIONERS, EX PARTE TC COOMBS & CO
(FT, February 20)

UNDER section 20(3) of the Taxes Management Act 1970, an inspector may require by notice in writing to make available for inspection such documents as in his reasonable opinion may contain information relevant to a tax liability. Notices under the section require the consent of a commissioner. The House of Lords stated that the case for validity of any section 20(3) notice, was supported by the presumption of regularity which was strong in relation to the commissioner's function. He was an independent person entrusted by parliament with the duty of supervising the exercise of the intrusive power conferred by that section. In the absence of any proof to the contrary, credit ought to be given to public officers who have acted *prima facie* within the limits of their authority (Earl of Derby (1886 LR 4 Exch 222). However, when seeking a commissioner's consent under section 20 (7), the Revenue was absolutely bound to make full disclosure of all facts within its knowledge. Failure to make full disclosure would almost inevitably nullify the notice.

SECRETARY OF STATE FOR TRADE AND INDUSTRY v LANGRIDGE
(FT, February 22)

UNDER section 6(1) of the Directors Disqualification Act 1986, a court can make an order against a director of an insolvent company where his conduct made him unfit to be concerned in the management of a company. Section 16 (1) provides that a person intending to apply for the making of a disqualification order shall give not less than 10 days' notice of his intention. In the present case, the secretary of state failed to appreciate that he had not given the length of notice required by s.16(1) which had to be calculated exclusive of the days on which notice was given and proceedings issued. He applied for leave to start new proceedings out of time, but his application was struck out. In allowing the secretary of state's appeal against the striking out, the Court of Appeal stated that failure to serve a proper 10-day notice was a procedural irregularity which did not render the application for a disqualification order void or voidable. The provisions requiring service of the 10-day notice were thus to be construed as directory rather than mandatory.

GALLIC LEASING LTD v COBURN
(FT, February 27)

GALLIC Leasing was a member of a group which included five other companies, each of which, during the accounting period, sustained trading losses capable of being surrendered to another company in the group for relief from corporation tax. Gallic Leasing's accounts stated that nothing was payable on its assessment, stating that "profits will be covered by group relief." No details were furnished and the accounts of other companies in the group did not show that any reliefs were to be surrendered. Rejecting the contention that a valid claim had been made, the Court of Appeal stated that section 264(1) of the Income and Corporation Taxes Act 1974, specified a two-year limit in which a claim must be made. If Gallic Leasing's contention was right that there was a sufficient claim within that period if it notified the Inspector, without further particulars, it would deprive the statutory time limit of real effect.

THE BAIONA
(FT, March 21)

THE shipowners had a demurrage claim against the charterers but were out time in appointing their arbitrator who, under the charterparty, was to be nominated within three months after final discharge. Granting their application for extension of time on the ground that otherwise undue hardship would ensue under the Arbitration Act 1950, section 27, Mr Justice Webster stated that the total delay of nearly two months was attributable to the shipowners as their fault because it was their solicitors who failed to pay due heed to the time-bar. But it was not simply a case in which they had been doing nothing at all.

On the contrary, they had been pursuing the charterers' solicitors in correspondence and the delay could not be categorised as grave. Moreover, although the court took into account the shipowners' potential claim against their solicitors, it did not attach any considerable weight to it because of the added difficulty of pursuing a secondary claim against them instead of the primary claim against the original defendant.

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No fewer than twelve and a half thousand British men and women will be winners in The World's Biggest Offer from British Airways. That's a fair amount of good news to process and communicate to holiday flyers. And because it demands the highest standards of efficiency, responsibility and courtesy, British Airways have decided that the job can best be handled by its Belfast based telephone Sales Office. And that's good news in itself for business in Northern Ireland.

A Winning Workforce

No doubt BA's choice was influenced by the fact that Northern Ireland boasts one of the most reliable, productive and skilled work forces in the British Isles. It's a matter of fact that 24% of young people in the Province are educated to 'A' level standard compared with the 17% UK norm. As for reliability, fewer days are lost through industrial disputes or sickness than anywhere else in Britain. Productivity winners will be handling The World's Biggest Offer!

The Business Winners

Northern Ireland is proud to have won a major slice of what will be one of the world's biggest marketing operations; but this is by no means an isolated example of the Province's ability to beat the competition to major international contracts. Ryobi of Japan, Montupet from France and Daewoo of Korea are just three of the latest big names to opt for a Northern Ireland base, and interest continues to grow.

Perhaps all of these international names know something about Northern Ireland you don't!

Why don't you take a closer look at the Province's working scene? Like British Airways, you could find you're looking at a winner.

Enquiries to Frank Galbraith,
Northern Ireland Business Centre,
11 Berkeley Street, London W1X 6BU.
Telephone: 071-493 0601
Fax: 071-499 3731.

IDB Northern Ireland

TECHNOLOGY

Philips' light bulb is a gas

Having to change a light bulb in the home is irritating enough. But changing one that dangles over a swimming pool or illuminates a motorway tunnel can be difficult and dangerous.

One answer is to develop a light bulb which lasts for years without wearing out, a task which Philips, of the Netherlands, claims to have achieved.

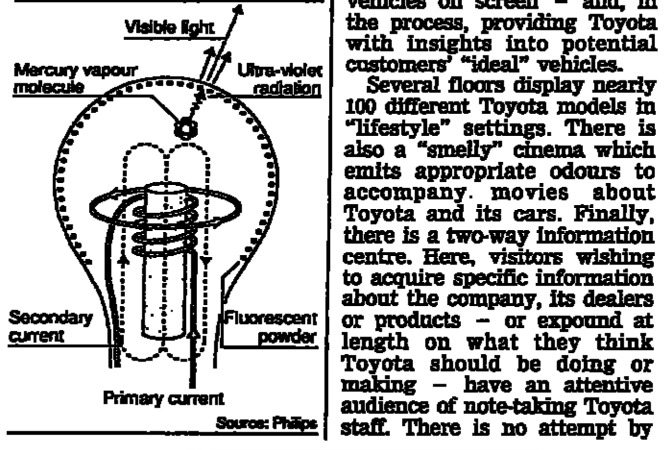
Aimed squarely at the commercial market, the QL induction lighting system uses the same gas discharge technology found in today's fluorescent tubes. But it eliminates the need for electrodes – which are the first parts to wear out, says Iain Logan, senior project manager for QL induction lighting. Instead, the lights use induction coils.

As a result the lifetime of the light is determined by the durability of the electronic control box that accompanies the bulb. Philips estimates that each unit will last for 60,000 hours – which means each light would burn continuously for nearly seven years.

The electronics box converts the mains voltage into a very high frequency current, operating at 2.65 megahertz. This current travels into the bulb and around a ferrite core, producing a secondary current. This excites the mercury gas molecules in the bulb, causing them to give off ultra-violet radiation which lights the bulb's fluorescent powder coating, so producing visible light.

Della Bradshaw

QL Induction Lighting



Source: Philips

Toyota and Mazda are involving customers in the development of niche markets, says **John Griffiths**

Buyers move into the driving seat

The Amlux building towers over the Higashi Ikebukuro district of Tokyo like a blue and black striped rocket: a 14-storey, Y20bn (£80m) testament to what Toyota, its creator, says is the start of a "new age" in the design, distribution and retailing of motor cars.

Of more modest size and cost, if not architectural style, Mazda's Y2.3bn "M2" building – perhaps most kindly dubbed plate-glass Doric – is starting to take shape across the city.

The functions of the two buildings differ in extent, but not in concept. The aim of both is to take the car makers deep into the hearts and minds of their customers, to establish precisely what these customers want or need and subsequently to find the best ways of fulfilling their wishes.

The concept should take the Japanese industry another stage closer to tailoring products more finely to car markets which are fragmenting into niches under the pressure of consumer preference, aided by the flexible vehicle manufacturing systems that emerged in the mid-to-late 1980s.

Since it opened in late September, 1m people have visited the Amlux building, according to Yoshio Komiya, senior managing director of the Amlux Toyota Company, a Toyota subsidiary set up specifically to operate the complex.

Its basement is given over to Toyota's motor sport achievements. The ground floor display includes an exhibition, using hologram figures, of the car production process.

Most significantly, there is a vehicle design studio. Powerful computer systems, normally used only by research and development engineers, have been adapted to offer a "menu" of styling and other parts, thus allowing members of the public to spend as much time as they want designing their own vehicles on screen – and, in the process, providing Toyota with insights into potential customers' "ideal" vehicles.

Several floors display nearly 100 different Toyota models in "lifestyle" settings. There is also a "smelly" cinema which emits appropriate odours to accompany movies about Toyota and its cars. Finally, there is a two-way information centre. Here, visitors wishing to acquire specific information about the company, its dealers or products – or expound at length on what they think Toyota should be doing or making – have an attentive audience of note-taking Toyota staff. There is no attempt by the latter to sell the cars.

A 'new age' of design, both in architecture and vehicles, is expressed by Toyota at its Amlux building (left) and by Mazda at its M2 complex in Tokyo

The entire complex is dedicated, in a subtle way, to involving potential customers with all aspects of Toyota, and obtaining their views on how the company should respond to their vehicle requirements.

Mazda's M2 complex takes the process considerably further. Like Amlux, M2 has been set up as a separate Mazda subsidiary, M2 Incorporated. It is establishing a network of consumers who will stay in close touch with product planners through M2-organised events and seminars.

Helped by these opinions, M2 will plan and develop vehicles aimed at niche markets. Most remarkably, however, Mazda plans to take a step unprecedented in the world motor industry: to produce and test-market two or three new model lines a year, each in volumes as low as 100.

Mazda views the project as vital "seed corn" in an increasingly competitive world car market, where companies reluctant to make heavy commitments to innovative product ideas and development will be the eventual losers.

A measure of the importance attached by Mazda to the operation is that it is being placed under the control of Michinori Yamanouchi, senior managing director responsible for Mazda's R&D activities worldwide.

In this manner Mazda hopes it will be able to repeat in other "niches" the success it has already had with one such product, the Miata sports car.

Launched in 1989, the Miata sells in its tens of thousands around the world, and has proved the folly of once world-leading UK manufacturers in abandoning the volume-built "affordable" sports car market. The first project is expected to emerge from M2 this year.

The centres provide striking evidence that competition between manufacturers inside Japan is as fierce as their drive into overseas markets.

Despite slow sales in recent months, seen as primarily linked to the Gulf war, Japan's vehicle market continues to grow rapidly, buoyed by an economy which has seen rises in gross national product of 4 per cent a year or more recently, with a 6 per cent rise expected for 1990.

While Japan's overall market for cars, vans and trucks last year was up 7.2 per cent on 1989, the figure disguises faster growth in car sales – of 15.85 per cent. This follows growth of 18.5 per cent in 1989 and 13.5 per cent the previous year.

Prior to 1988, Japan's car market had been growing relatively slowly. However taxation reforms that year acted as the catalyst for a sharp acceleration in sales, fuelled further in 1989 by another package of reforms in which a consumption tax of 3 per cent replaced former commodity taxes imposed on vehicles of between 15.5 and 23 per cent.

Rising disposable incomes fuelled by Japan's soaring economic growth, as high land prices put home-buying out of reach of most people, are considered significant factors. And with the level of car ownership low by western standards, Japanese car makers think there is still room for further growth.

All these factors combine to make projects such as Amlux and M2 more practical than they might otherwise appear.

For Toyota, Japan's largest vehicle maker, there is the perceived need to retain its dominance of the domestic market. Last year it had a 37 per cent share of total Japanese car sales, down from 39.98 per cent a year earlier.

For Mazda, the incentive is to build on the big gains it has made with niche products such as the Miata and its larger Eunos coupé. Although it is still a relatively small player in the Japanese market, Mazda made the biggest gains of any domestic producer last year, with sales leaping by just under 35 per cent and its market share to 7.8 per cent.

Japan has a total of 11 vehicle makers, and western observers have been questioning for a decade how much longer this number can be accommodated. Senior industry figures such as Masayuki Saito, Nissan Motor Company managing director, suggest that there is no reason why all should not survive.

The smaller companies such as Daihatsu, he points out, are concentrating heavily on other market niches, notably minicars, with engines of less than 650cc. Even this market is fragmenting into niches of its own, with minicar shapes ranging from sports cars, through tiny coupés to cross-country "leisure" vehicles.

Even though the bigger manufacturers are pursuing market niches of their own, says Saito, the explosion in the minicar market – 1.5m were sold in Japan last year – should help underpin the smaller manufacturers.

The Amlux and M2 operations are only the most striking and visible signs of far-reaching changes in the industry, encompassing not just smaller production lines but entailing reforms in retailing and distribution.

One of the most seminal changes is the least visible. A few years ago, door-to-door car salesmen, unique to Japan, accounted for most sales. Now, says Toyota's Komiya, they are a dying phenomenon.

"Japan's motorisation is very recent compared with the west. Twenty-five years ago very few people knew about cars and the expert salesman at their door was necessary. Now we have a second generation that has travelled and that knows all about cars. They like to look at them, touch them, check them out – and that means in a showroom."

Now, he says, the door-to-door men account for perhaps 30 per cent of sales and the figure is falling. In part, this is the result of social changes. "Ten years ago," says Nissan's Saito, "there was always someone at home. Now, everyone works."

Ceasefire looms in standards battle

By Louise Kehoe

Executives from more than one of the computer companies taking part in today's planned announcement of a new "standard" for the next generation of microprocessor-based computers say it is little more than a publicity stunt. Other participants see it as a watershed event that will shape the future of desktop computing through the 1990s.

Competitors, in contrast, warn that this announcement is designed merely to obfuscate the fact that computer buyers have already chosen the "winners" in the desktop computer battle and that today's grandstanders are a bunch of losers.

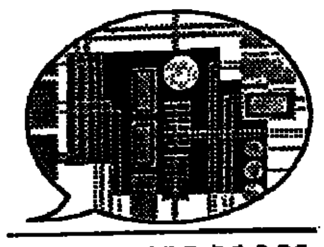
So what are we to make of it when 20 or so computer industry executives, representing some of the largest companies in the industry, stand up in New York and Brussels today to declare their support for a common hardware and software specification that could be the basis of future high-performance desktop computers or, for that matter, mainframe-class multiprocessor systems?

Leading the charge will be Compaq Computer, Digital Equipment, Microsoft, Mips Computer and the Santa Cruz Operation. They will be joined by a dozen or so supporters including Olivetti, Bull and NEC.

Certainly it is significant that Compaq Computer will endorse Mips Computer's latest Reduced Instruction Set Computing (Risc) chip as a potential "platform" for future computer products. When Microsoft acknowledges that the R4000 will be the first non-Intel microprocessor for its next generation "portable" version of the OS/2 operating system, that too will no doubt raise eyebrows.

But neither company is ready to abandon or even reduce its support for Intel's X86 family of microprocessors. They are both, in effect, hedging their bets. Compaq's recent equity investment in Silicon Graphics, a maker of graphics workstations built upon the current generation of Mips Computer chips, underlines its strategic direction.

Some have mistakenly construed Compaq's move to mean that it is about to enter the engineering workstation market. What Compaq really has in mind is a business-oriented high-power computer that will take advantage of Silicon Graphics' high-performance graphics technology and perhaps the raw processing power of the Mips Risc chip.



TECHNICALLY SPEAKING

Microsoft's role is more defensive. The industry group has not chosen a single operating system for its "Advanced Computing Environment". Instead it is backing both Microsoft's OS/2 and a "unified" version of AT&T's Unix, to be developed by the Santa Cruz Operation.

The biggest potential winner in today's events is Mips Computer. Mips Risc chips are a distant second in the Risc workstation market to Sun Microsystems' Sparc chips. With IBM and Hewlett-Packard gaining ground in the Risc workstation market, Mips badly needs supporters.

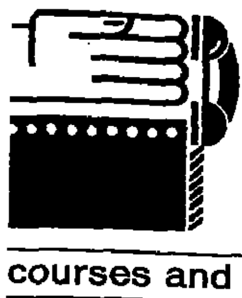
Computer buyers viewing this latest industry drama may recall the last time a computer maker attempted to link itself with an operating system developer to establish a standard for desktop computing. When AT&T and Sun Microsystems joined forces to develop a standard form of Unix it caused an industry schism.

Today's announcement may be equally controversial within the computer industry and equally confusing to potential computer buyers. As one industry executive outside the group lamented, customer confusion has delayed purchase decisions, creating problems for all computer makers. The danger is that the formation of yet another powerful group promising industry-wide standards will serve only to further confuse and delay a return to strong growth in the computer market.

FINANCIAL TIMES SURVEY

MANAGEMENT EDUCATION & TRAINING

Tuesday April 9 1991



The 1990s are likely to see a shake-out of business schools in the UK. Demands for more sophisticated courses and teaching methods are forcing a reassessment of programmes. **Simon Holberton** reports on new approaches to management education

MBAs at the crossroads


JOHN BATTEN

AFTER a decade of growth at breakneck speed the business school, especially in Britain, is at the crossroads.

The motive force behind the rapid expansion of management education and development services in the 1980s was labour market deregulation and rapid economic growth. The former returned to management its "right to manage"; the latter showed up the extent to which management was ill-equipped to meet that challenge.

But by the end of the 1980s and the early 1990s there were many signs that the users of business schools – companies and students – were requiring a more sophisticated programme of courses.

The market for management education and, especially, development is moving at a rate which is leaving many schools foundering. Once a near monopoly supplier of education and development services for business, the business school is finding that the market for these services is fragmenting.

Some large companies, such as Motorola, are assuming a far greater responsibility for the provision of these services as they seek to cope with the deficiencies of the education system in general and management training and development in particular. The business schools have also seen consultants moving into the field of training and employing more technologically imaginative solutions than are generally applied by the schools. At the same time, the masters of business administration – the core service which the school offers – is being questioned; so too, is the quality of the business research being produced by business school academics.

In Britain and the US business school academics have been examining the way they organise management education and considering their role in the 1990s. The search for relevance is now at the top of the agenda for every school's director, dean or principal.

In the US there is evidence of a growing impatience, tinged with irritation, over what Stanley Shapiro, dean of the College of Business at Simon Fraser University in Vancouver, has called the "third generation idiot syndrome". This describes the phenomenon, in some north American business schools, where a 25-year-old graduate student studies under a 28-year-old assistant professor who wrote his PhD dissertation with a 32-year-old associate professor – none of whom has worked in industry.

Shapiro's criticism finds an echo in a report last summer sponsored by the US Graduate Management Admissions Council. It pointed to three trends: accelerating rates of change and complexity in technology; globalisation of markets, communications and human resources; and increased demographic diversity.

These trends required, the report argued, a reformulation of the MBA degree and a new set of faculty priorities. It also required a departure from present teaching and research practices in which some see "the pedantic sterility of a second class science – one that is too refined to be applied to the problems of a society as complex as our own".

In Britain, this lesson is being learned, too. Cranfield recently published a survey of its alumni to mark the 10th anniversary year of its executive MBA. While the skills which Cranfield's MBA graduates had acquired were impressive, the survey highlighted the need for greater tuition in "people management skills", ethics and political management, together with international and technology management.

Similarly, the London Business School has recently completed a survey of 650 alumni and a number of companies as part of a comprehensive reorganisation of its two-year full-time MBA. The findings reveal the weaknesses of the LBS and of present management education in the UK.

LBS's students said they enjoyed their stay at the school but their most worthwhile experience was meeting others and the enduring networks which that interaction fostered. They said there was too much emphasis on financial engineering, while there was not enough taught about marketing, organisational behaviour and human resources management.

The companies told the LBS they did not require functional specialists. They wanted graduates who could appreciate a broad range of managerial activities and issues, and who had a taste for ambiguity. They also wanted them to have perspectives on business drawn from other companies.

According to Peter Williamson, the LBS professor charged with redesigning the school's MBA, it will take two to three years before the new course will be fully in place. But at that time it should resemble an "hour glass": its initial emphasis will be general – managing the external environment, government, ethics, environmental issues, markets, people, control and measurement – then move on to techniques and tools to put these in context, and then bring the two together in applications.

"We used to teach the building blocks and then the context," says Professor Williamson, "we're just reversing the sequence. It's just more appropriate to start from that perspective."

What makes it appropriate is the evident secular trend towards seeing business problems and, by extension, management education and development, in holistic terms. As Professor Hugh Murray, of City University Business School in London, notes, the pedagogical model of the typical business school has been singularly inappropriate to the development of managers.

"As practitioners in law and medicine advance in their careers they increasingly specialise; as managers progress in their careers they increasingly have to generalise," he argues.

Professor Murray says that business schools in Britain have failed to understand this and have been misled by their ill-judged adoption of the curriculum, structure and values of the standard American MBA.

For Tom Cannon, director of the Manchester Business School, the growing emphasis on the need for a more rounded approach is a welcome development: MBS has from the outset stressed the whole as distinct from the part (or function), a pedagogy "based on the twin cycle of learning: knowledge acquisition and knowledge application".

For Mr Cannon "business in the 1990s is not wanting functional specialists. Business is being conducted in smaller units; the functions are being integrated and brought together; the emphasis is on managing the whole."

But to those who see management as something more akin to a behaviour study as distinct from something that can be learned, like the rules of the road or the anatomy of the human body, there is still much for the business school to do.

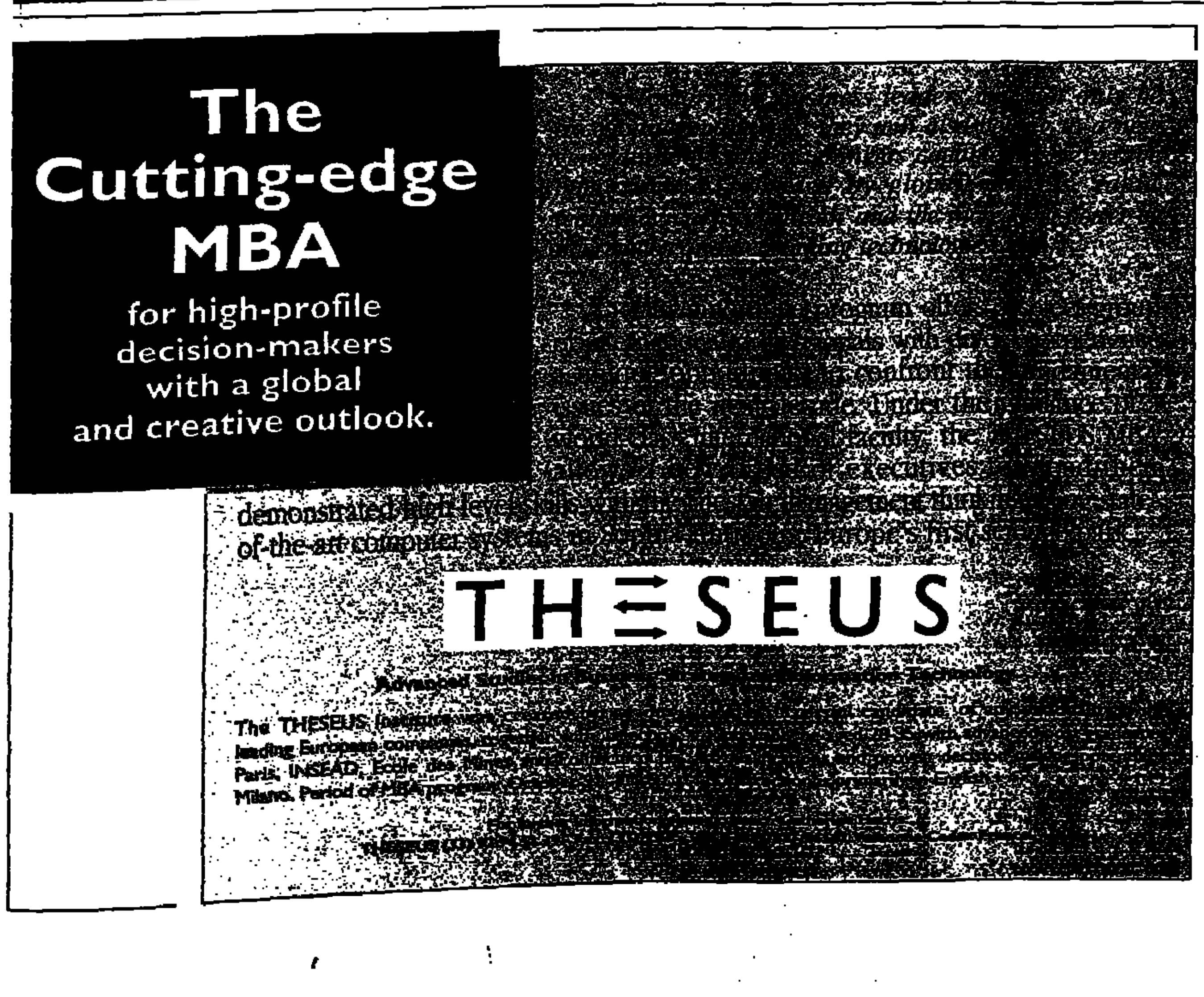
"There is not a great deal of theoretical underpinning to what [business schools] offer," says Professor Iain Mangham of Bath University's Management Centre. [Management education] "is not about how people interact in companies but more about finance and strategy built around case studies. And case studies are far removed from what actually happens in companies."

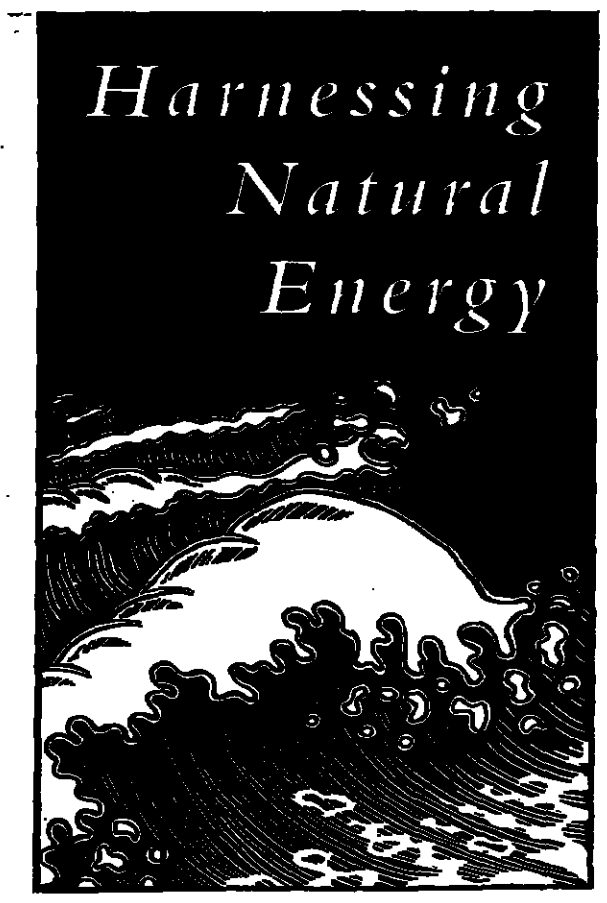
At last count there were some 113 institutions in the UK offering an MBA. In the face of economic slowdown and greater discrimination on the part of companies and students, many suspect that the 1990s will witness a shake-out. The key requirement for users will be quality and value-added from management education and development.

"We are being questioned about quality by companies and potential students," says Mr Cannon. "Companies are doing detailed work and they are knowledgeable about alternative programmes and discriminating in what they buy. The students come also with views, and MBA students are good researchers. The market is becoming more discriminating."

The solution many business schools are opting for is to form partnerships with companies. The recent annual conference of the European Foundation for Management Development was devoted to the partnership theme, with sessions on the creation of strategic alliances, programme development, staff exchanges and research.

A move to get closer to the client holds out the prospect of a more responsive teaching institution, one which is in tune with what its marketplace needs. But such a move may also change the schools' relationship to their clients. Things are not going to be quite the same as they were.





Diane Summers examines the arguments for and against separate training for women

'Glass ceiling' stops female managers reaching the top

MALE AND female managers have many more similarities in their personalities, goals and behaviour than they have differences. Why, then, bother with the apparent artifice of separate management training for women?

The main argument for women-only management training focuses not so much on the differences between the sexes but on the differences in their experiences: female managers face obstacles at work that their male colleagues simply do not have to experience.

These obstacles form what has come to be known as the "glass ceiling" – a term coined in the US to describe the way in which women rise in organisations but then meet an invisible barrier that prevents them reaching the top.

Women are more likely to suffer from stereotyping and sex discrimination, both of which have a negative impact

The figures are causing concern to a number of organisations. Able men and women are recruited in equal numbers in many sectors, but they are not feeding through to senior management jobs. Among junior managers, perhaps a quarter are female; of top managers, only one or two in 100 are likely to be women.

The reasons for women under-achieving at work are complex and no organisation can hope to provide a level playing field for female employees – continuing external social and domestic pressures make that impossible. However, women's management training, particularly if it forms part of a wider equal opportunities programme, is one practical step an employer can take to improve the performance of female employees and to ensure their retention.

What, then, are the specific work-related problems of women that make separate management training appropriate? Ms Susan Vinnicombe from Cranfield School of Management, together with Ms Nina Colwill from the management faculty of the University of Manitoba in Canada, have studied the issue and conclude that:

- Women are more likely than men to suffer from stereotyping and sex discrimination, both of which have a negative impact on their careers;
- Women rarely have female role models in senior positions in their organisations;
- Many women in male-dominated fields feel they are operating in an alien world, in which the rules of power and politics are difficult to grasp. They may also work alongside men who do not share or empathise with their values.

These work issues – together with women's personal concerns about children, domestic responsibilities and partners' careers – are rarely raised in mixed-sex groups. This is partly because, as many studies have shown, men tend to dominate group discussion, to set the agenda and to interrupt more frequently than women.

Trevor Humphries

Specialist programme: the Pepperell Unit in session at the Industrial Society in London

While men are found to express their feelings more openly in mixed-sex groups, women express theirs more easily in an all-female context, Vinnicombe and Colwill point out.

In an ideal world, they conclude, there would be no need for training programmes for women in management: "Hopefully the day is approaching when . . . trainers have no material to discuss: when power and influence and household responsibilities are equally distributed between women and men; when the salary gap between men and women has closed; and when sexual harassment has ceased to exist. For the time being, however, the need for special courses for female managers is a continuing reality."

There are inherent dangers in separate provision, not least of which is the risk of marginalisation. Activities pursued by women have traditionally been accorded lower status than those followed by men. The argument goes that women could find themselves restricted, because of scarce management training resources, to low-status women-only training.

A vital point here, say Vinnicombe and Colwill, is to ensure that support for women's training is clearly articulated from top management so that it is not trivialised as the "girls' day out". Even more important, women-only training must be seen as an adjunct to, rather than a substitute for, more traditional organisational and occupational training.

This last point is a particular cause for concern, for women, overall, receive less training than men. A recent discussion paper from the Equal Opportunities Commission points out that, among younger workers, men are one-and-a-half times more likely than women to have had job-related training. Of male graduates, 52 per cent received training in their first job after graduation, compared with only 42 per cent of female graduates.

This pattern seems to continue. Henley management college, for example, has only 10 per cent women students on its masters in business administration (MBA) degree courses. Nearly 70 per cent of MBA students receive some form of company sponsorship, "which may indicate that it is employers, rather than the women themselves, who are reluctant to push their female employees up the ladder," says the college.

London Business School – which claims, with 27 per cent, to have one of the highest percentages of women in any European institution on MBA courses – is concerned that the figure drops to 5 per cent for executive programmes. It has set up a working party, which includes Mr Joe Palmer, group chief executive of Legal and General, and Ms Yvette Newbold, company secretary of Hanson, to examine how more companies can be encouraged to develop and support senior women managers.

LBS, along with the other business schools, offers women's scholarships and specialised options. Manchester Business School has set up a women's enterprise unit which will run courses and will also carry out research and develop links with similar schemes throughout Europe. A "portfolio for the woman manager" at Manchester provides five courses in two-day bursts of residential training.

Numerous independent consultancies are now providing in-house women's courses for organisations as well as external programmes of varying duration. Among the longest-established of the specialist programmes is the Industrial Society's Pepperell Unit development course for women. This runs six times a year and costs about £1,200 per place for a week's residential course.

At the slightly brasher end of the market, for a modest £99 (VAT and lunch excluded), Inform Seminars will tell women managers, according to the course blurb, how to: "put an end to gossip, insubordination and personal attacks; increase your respect and establish credibility as the boss; and develop an image that says 'credible', 'authority' and 'professional'."

It is vital to ensure that support for women's training is clearly articulated so that it is not trivialised as the 'girls' day out'

Small wonder that men can sometimes feel threatened by the idea of women-only training: such secrets of the universe ought not to be restricted to just one sex. As Vinnicombe and Colwill point out, those setting up women-only programmes need to be prepared to face accusations of sex discrimination and perhaps even to offer male-only training, too.

Simon Holberton discusses qualifications of directors

Training goes by the board

THE euphemism is "professional development" but in plain language it would be called training. Less than 10 per cent of directors receive it but as the recent spate of bankruptcies and insolvencies shows, it is about time boards of directors looked to their own training needs.

A recent guide[1] to a director's responsibilities points out there are now 49 criminal sanctions in the Companies Act (1985) which affect directors. The penalties range from a £400 fine to an unlimited fine, and six months' to seven years imprisonment. The Insolvency Act (1986) adds further responsibilities and penalties. For fraudulent trading a director can be fined up to £2,000 and jailed for up to seven years.

The governance of companies is becoming an issue from which directors can run but from which they can no longer hide. Yet few, according to survey data, bother to spend any time at all in formal training.

A study[2] by the Institute of Directors published last year estimated that only 8 per cent of directors in Britain have had any training for their board appointment. The study showed that the way they learn about their responsibilities is informal and unstructured; they appear to "pick things up" as a result of other activities.

Furthermore, what formal training they have received appears to be concerned mainly with the management of a company rather than with the direction of a company. For John Harper, head of professional development at the IOD, this reflects the way in which people become directors.

There are two main routes to the boardroom. The first is the manager who is appointed to the board of his or her family company. Such a person combines three roles: those of owner, manager and director. "A lot find it difficult to differentiate between those roles, and conflicts present themselves when one person is all three," says Mr Harper.

The second route to the boardroom is through promotion. A professional – an engineer, accountant, marketeer – is good at what he does and is appointed to the board. Typical of the findings of the IOD's survey, he learns by copying those already on the board.

Yet both of these groups find that they have to learn a different role. While management is typically described as a triangular structure, with the managing director or chief executive at its summit, a board is better thought of as a circle.

According to Harper, the main problem newly-appointed directors have is differentiating between direction and management. This leads to these poorly functioning boards not managing their time effectively. A lot get bound up in the day-to-day running of the company and turn the board meeting into just another management meeting. They do not discuss the real issues – issues of a more long-term policy nature.

"A manager is responsible for results within the context of policies and objectives laid down by his superiors," says Mr Harper. "He works within given conditions and those givens are set by the board. The board sets the company ethos, the way it treats its employees, customers and suppliers."

Yet for all this there appears to be a growing recognition for the need for the training of directors. A recent survey of the attitudes of big companies to independent directors by the PA Consulting Group and Sundridge Park Management Centre[3], found that nearly half of the respondents thought directors needed training.

Among the benefits of such training would be:

- A better understanding of what each individual can contribute and how that contribution could be made;
- Improved teamwork between independent directors and executive directors;
- A more balanced and focused discussion of business issues; and
- The opening up of the position of independent directors to a wider spectrum of high-calibre managers.

But problems still persist. One of the biggest is the constitution of the board. There are still too few independent directors on the boards of companies. This problem may be compounded if a dominant owner is in the chair. In this case, says Mr Harper, the company may "become too owner-oriented and not enough is taken into account of other stakeholders".

Too few chairmen are approaching the issue with an open-mind. The PA/Sundridge survey showed that 70 per cent of non-executive appointees came to the board room via the "old boy" network.

1 *Becoming a director? What you need to know, Coopers & Lybrand Deloitte, March 1991, £10. Plumtree Court, London EC4A 4HT.*
2 *Professional Development of and for the Board; IOD, 116 Pall Mall, London SW1Y 5ED.*
3 *Non-Executives in the Board Room, available from PA Consulting Group, 123 Buckingham Palace Road, London SW1W 9SR.*

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Lisa Wood discovers what qualities are required for an international manager

Search for 'worldly-wise' company executives

THE QUEST for the elusive new international manager is one which has started in virtually every industrialised economy.

The search has been made urgent by the advent of the single European market in 1992 as well as the growth in the 1980s of corporate global aspirations.

It is a development which is stretching companies' existing employees, according to a report on global human resource strategies by the Ashridge Management Research Group, published by the Economic Intelligence Unit.

The report says: "Firms are already encountering shortages of the high-quality people they require. One UK firm bent on international expansion was worried that its growth is already stretching its systems and its management resources. It pointed in particular, to a lack of sufficient competent international functional specialists."

The report goes on to say that other companies were having difficulties releasing experienced people from existing operations in order to resource and lead new international ventures. "There are indications that a dearth of internationally-skilled people may be an important constraint on firms' international ambitions and that the development of the international manager will be an important priority for the future."

So what makes an international manager and are any nations better at breeding them? According to Saxton Bampfylde, the head-hunting company, the Netherlands, Belgium and Scandinavia are the best seed beds.

Mr Paul Evans, professor of organisational behaviour at INSEAD, the European business school at Fontainebleau, near Paris, shies away from national genetic profiles. Neither does he believe that the necessary ingredient is the ability to cope with a lifestyle that involves working in Madrid one day, Paris the next and Bonn the day after.

He says that jet-setting between international operations is more likely to create a business equivalent of the over-packaged tourist.

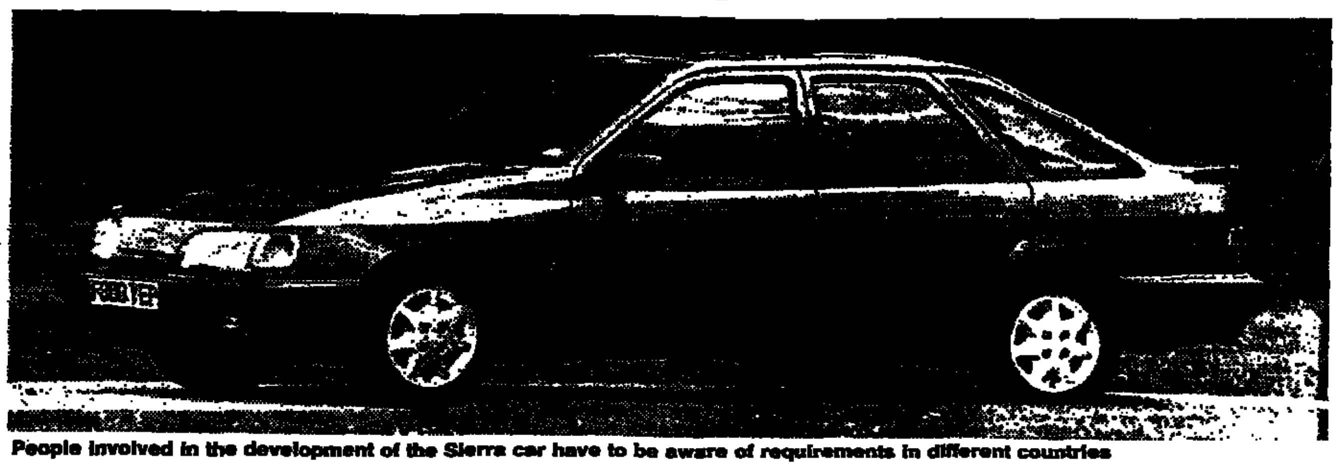
Rather, he believes that the person capable of being an international manager is one who is comfortable in managing diversity.

It is an opinion supported by the Economic Intelligence Unit's research. In its survey it asked companies to choose the five most important characteristics needed by international managers in their organisations. The report says: "The significant thing about their replies is that, in contrast to the relatively lower priority assigned to 'hard' or functional skills, four of the six top characteristics identified are 'soft' skills, emphasising the human skills involved in managing people from other countries and the manager's ability to handle unfamiliar situations."

Key characteristics of the international manager
(% respondents who ranked a characteristic as among the five most important)

Strategic awareness	71
Adaptability in new situations	67
Sensitivity to different cultures	60
Ability to work in international teams	56
Language skills	46
Understanding international marketing	46
Relationship skills	40
International negotiating skills	38
Self-reliance	27
High task orientation	19
Open non-judgmental personality	19
Understanding international finance	13
Awareness of own cultural background	2

Source: EIU



People involved in the development of the Sierra car have to be aware of requirements in different countries

Strategic awareness was described by one company in the report as the necessity of managers to have a global view of their own contribution. The report said this awareness must therefore be underpinned by a global outlook. Rhône-Poulenc, for example, says its employees must think world and not France. General Electric speaks of the need for managers to understand world trends.

Ford of Europe, a company which has boasted the development of international managers for more than 20 years, says that its managers are globally-minded before they become global operators. Mr Stuart Hamer, Ford of Europe's new director of education and training, says: "A graduate, for example, who becomes involved in any key aspect of our business will become involved quickly in matters affecting one or more countries. The Sierra car, for example, that you buy in the UK is the same car that sells in Britain, Finland and Portugal and therefore people involved in the car's development have to be sensitive and aware of the market requirements in those different countries."

Clearly, says Ford, a critical part of the development of an international manager is assignment to different countries.

From the companies' answers to the EIU survey it appears that the only effective way to develop international skills and perspectives is through direct international experience, either through participation in international task forces or, more importantly, through working and living abroad. "Such experiences open peoples' minds to the fact that things are done differently elsewhere and encourages them to think in a wider context."

According to the survey, the proportion of managers with international experience ranged from 1 per cent (or less) in some UK companies to 80 per cent in one Swisscompany. The EIU says generally it appeared that in many companies only 5-10 per cent of managers were likely to have international experience.

Developing the international company's management resource is a demanding exercise, with many conflicting issues resolved. Should there be an elite given international experience as part of their grooming for top jobs or should it be offered to a wider group who form the backbone of a company? Does the company favour local managers over expatriates? Can the cost be justified?

If these questions are resolved companies then have to devote considerable resources, and effort, into preparing managers for international postings. Language training, overseas visits, in-house management courses and general management training at business schools are all important ingredients of this process.

Mr Hamer, of Ford of Europe, says that for Britons an inability with languages has always been a disadvantage for the international manager. He says: "We encourage our international managers to learn the language of the country to which they are assigned. Some do well but others are not as successful."

PROFILE: Motorola University

Electronic manufacturer's degrees of excellence

OVER the past decade, Motorola, one of the world's leading electronic and communications equipment manufacturers, has won a reputation for first-class quality products, broken into the Japanese telecommunications market, and won the prestigious US Malcolm Baldrige National Quality Award. But it has not rested on its laurels. Motorola aims to achieve its goal of "Six Sigma", or zero defects, quality by 1992.

The company seems a shining example of the struggle for ever-greater quality and success. But that was not always the story. It took a long, determined, well-funded education and training programme to boost its fortunes. Today, that programme has evolved to such a degree that the title (bestowed in 1989) of "Motorola University" does not have a pretentious ring.

Motorola now requires that every employee and manager spend a minimum of one week a year in training. The university operates the programmes, which cost the company $70m last year, or 3 per cent of its payroll. It even offers courses to its suppliers and buyers.

In some cases, the courses are in conjunction with bona fide, degree-giving universities and technological institutes. At its corporate headquarters in Illinois, for example, Motorola works closely with Northwestern University's Kellogg School of Management, rated the number one business school in the US. Abroad, for training its overseas personnel, it has agreements with the Université de Technologie de Compiègne in France and the Asia Pacific International University in Macao. It is in discussions with the universities of Edinburgh and Manchester in the UK. The cost of the training and education programme is borne gladly by Motorola, which had an independent auditor of the effort report that it received a $33 return for every $1 spent, even when time away from the job for training was included.

William Wiggenhorn: change must start at the top

The company has also enjoyed a total of $1.5bn in cost avoidance and increased cash flow for the three years 1987 to 1990 and it attributes this gain in significant measure to the training that has brought higher quality control.

The road to Motorola's rewards for creating a successful training and education programme is littered, however, with misconceptions, false starts and mistakes. Yet, through trial and error, the company itself learned much.

In 1979, then chief executive officer, Robert Galvin, now chairman of the executive committee, saw that Motorola's employees needed to upgrade their skills to keep pace with the rapid changes taking place in the electronic and telecommunications industries. He set out with the modest goal of instituting a five-year training plan that would introduce workers to new technology and teamwork. He also set up a Motorola Executive Institute to give 400 managers the equivalent of an MBA in four weeks.

By 1984, it was clear these efforts had failed and Mr Galvin returned to the drawing board. He and his training managers discovered that what was missing was the essential element of recognition of the need for change – at the top as well as at the bottom.

Mr William Wiggenhorn, the president of Motorola University and the company's vice-president for training and education, is emphatic that change must start at the top. While this adage now seems unsurprising, it took Motorola the better part of the first five-year training effort to realise that managers conceptually understood the new quality systems, but their behaviour was not changing.

The management also discovered to its dismay that many of its line workers could not read or do simple arithmetic, making basic remedial education necessary.

Starting over again, Motorola tried to get through the message about change by shifting its curriculum and its approach. It began focusing on manufacturing technology and teaching a universal language of quality within the company. It also stopped inviting managers to participate and ordered them to do so.

By the late 1980s, people had caught on. Older employees and some retirees played a key role in persuading their junior colleagues. They had witnessed the change from transistors to microchips and knew that change can be mastered.

Overcoming complacency seems to have been Motorola's most hard-won achievement. Retooling its employees' skills was an easier task than retooling their attitudes.

Mr Wiggenhorn said that over the past decade or so the company has undergone several key "mindset changes".

■ You cannot buy your way out of the problem. Throwing money at training and management problems does not work.

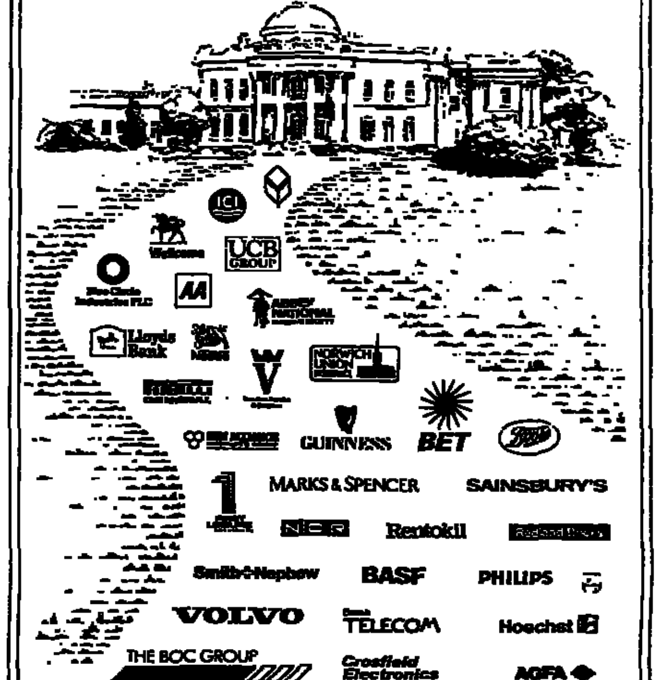
■ There is real value in employee loyalty. Unlike some other companies which simply sacked the old workers and brought in new, more skilled ones, Motorola believes it is cheaper to retrain employees than to hire new people.

■ You cannot have quality products without quality people. Employees must know how to recognise problems early and solve them.

■ There must be a change of attitude. Management and all employees together must sense that they are all responsible for the fate of the company.

"It is not just a question of fixing the other guy," he said.

Barbara Durr



MANAGEMENT EDUCATION AND TRAINING 4

Gary Mead meets an Olympic sportsman who coaches managers

Progress by leaps and bounds

BUSINESS managers enduring the recession will, by now, be thoroughly sick and tired of hearing the sagacity of the smug in old phrases and sayings such as "save the pennies and the pounds will look after themselves". But one management education course, Performance Coaching, can hardly avoid running foul of neatly-turned aphorisms to describe its aims and underlying esprit.

The basic philosophy of Performance Coaching might be described as "look before you leap", thanks largely to one of its chief teachers, David Hemery, who at 46 must surely still be one of Britain's most famous and enduringly popular athletes. Gold medallist in the 400 metres hurdles in the 1968 Mexico City Olympics, Mr Hemery is still performance-oriented; only now his attention is much more occupied with the achievements of others.

"Hurdling is an excellent analogy for business management; surmounting hurdles is what management is all about," says Mr Hemery. And Performance Coaching, to which Mr Hemery now devotes 75 per cent of his working life, is all about injecting team spirit and self-esteem into lacklustre staff achievements.

Unlike many sports personalities, David Hemery is also a bit of a thinker. Last year he published "Winning Without Drugs" in which he argued that techniques of visualisation, relaxation, and improving mechanical efficiency, can lead to athletic excellence as much as use of illegal steroids. Proper use of the adrenal glands, stimulating the right amount of adrenalin at the right time, can lead to competition-beating performances – and also opens the door to a whole host of business world analogies, which Performance Coaching plays upon.

Performance Coaching depicts itself as a management system, "using methods that have produced outstanding results in the sporting arena" and transferring the same techniques "in a simple and effective manner into the world of business".

> **David Hemery is fond of saying that 'the mind is a key' which can unlock obstacles in the way of motivation**

Performance Coaching is backed by The Grass Roots Group plc, a leading motivation company, and provides two basic types of courses; a "client specific programme" tailored to defined needs at any location; and regular open courses at the National Sports Coaching Centre at the 12th Century Bisham Abbey near Marlow, on the Thames.

Originally, David Hemery's coaching courses were specifically aimed at amateur sports men and women, backed by an educational trust. The chairman and founder of The Grass Roots Group, Mr David Evans, attended one such course. He was so taken with it that he offered to subsidise the sport coaching, in exchange for which some of the techniques and training used on those courses would be adapted and deployed for use with jaded, confused and tired business executives looking for ways to improve their own and their staff's performance.

Performance Coaching now operates an open course once a week on average, with companies such as ICI, Barclays and Midland banks and even the Kent police in attendance. What they go to learn and experience for themselves is a short course – two days, usually, costing £485 per individual or £600 for two – in the use of mind as a tool for improved efficiency.

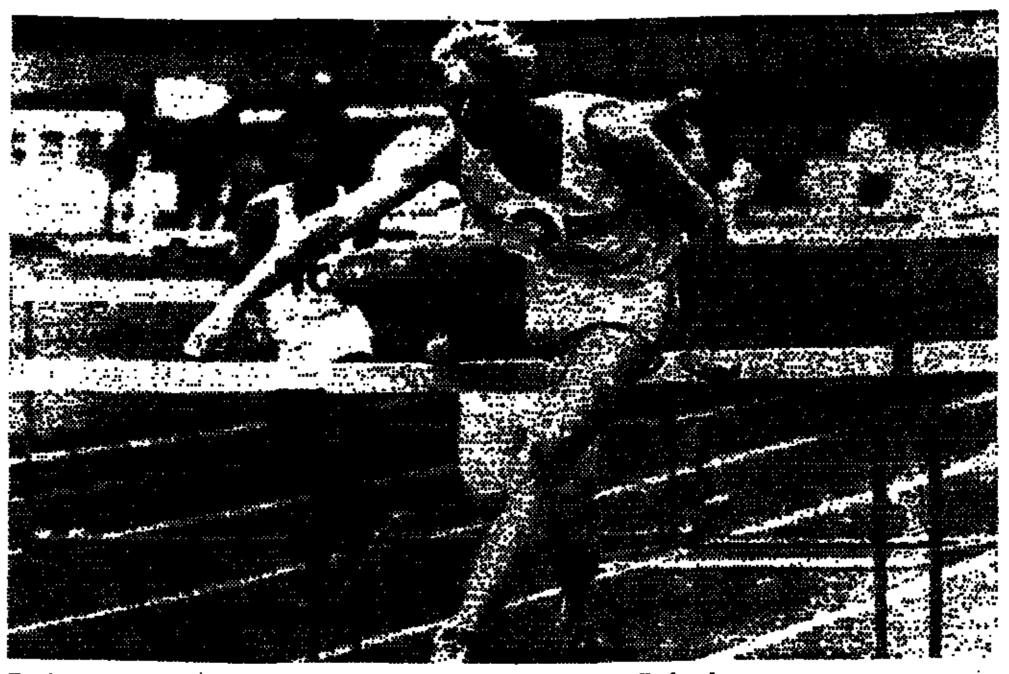
David Hemery is fond of saying that "the mind is a key" which can unlock obstacles in the way of motivation and, by extension, success, whether it be in sport, business or personal relationships.

He says that the aim of his course is to "assist others by asking questions. The course is based on the notion that those who are best, in whatever field it may be, are those who are both the most *aware* in that area and who take *responsibility*". In that way enthusiasm and commitment are sparked off, to the all-round benefit of individual and company. While the courses do have a small physical element to them – such as organising races between groups fixed to the same set of skis, encouraging team *thinking* and co-operation – the bulk of the time is spent in posing, considering and answering questions.

David Hemery believes that management can no longer "rule by fear"; that what he calls "the old carrot-and-stick approach – threats and/or the promise of more money" has been proved to no longer work as a technique of improving employee efforts. "The advance," he says, "the final step, is this one of self-responsibility."

He agrees that the raising of self-awareness and the generation of willingness to take responsibility is, essentially, a very common-sense target. But he adds that "even I, who have been teaching this for five years, am still sometimes surprised at my own blind spots."

He mentions the cautionary tale of daily telling his small son not to drop his overcoat on the kitchen floor immediately after arriving home from school. "Suddenly I realised that I could be saying the same thing and still getting nowhere for months. I asked myself the question, 'What am I trying to do?' The next day I then asked my son, about to drop his coat on the floor, 'Where else could you put your coat?' Since then my son has found all manner of useful and sensible places to put his coat at the end of the day, and I have found a solution to something petty but exasperating." It is precisely that kind of question-posing which is at the heart of the courses being run by Performance Coaching.



David Hemery: surmounting hurdles is what management is all about

Mr Hemery argues that one reason for persisting in a course of fruitless action – as evidenced by his coat-dropping anecdote – is that "it takes time for a culture to change. We are in an analytical, telling culture, where people in authority lecture us. There is a place for that but our simple step-by-step approach, with a sequenced order of questions for problem-solving, means that the individual is brought into involvement with whatever issue it might be. That creates self-awareness and self-responsibility."

At the end of the philosophising, managements are ultimatelyinterested in improved performance. Hemery agrees that pinning down tangible results and rewards from the courses he and his colleagues run is not easy, but he offers a concrete example which suggests that Performance Coaching might be working.

Last year the Fleet Air Arm approached Mr Hemery's course to see if it could assist it in its performance at the annual Royal Tournament, an armed forces' extravaganza where, among other entertainments are various competitive feats of team-work, discipline, skill and sheer muscle.

The Fleet Air Arm's team managers were downhearted at their team's prospects; training was poor. All the teams have nine weeks in which to prepare for the various events. At the end of the course, the Fleet Air Arm's squad had practised 30 per cent less than in previous years; but on the night of the Tournament they won every trophy, the first such total whitewash in the 104 years of the Tournament – a sporting achievement which reflected more than a touch of glory on an Olympic gold medallist.

Performance Coaching has three other presenters besides David Hemery MBE; the others are Lynn Davies MBE, who won the long jump gold medal for Britain in the 1964 Tokyo Olympics; Sir John Whitmore, 1965 European Touring Car Racing Champion; and David Whitaker OBE, who coached the British men's hockey team to its Olympic gold medal at the Seoul Olympics in 1988. The course organisers can be contacted through The Grass Roots Group plc, Training Division, 281 Glossop Road, Sheffield S10 2HB, telephone 0742-700321.

MANAGEMENT CHARTER INITIATIVE

Standards of competence

ARE YOU a *real* manager? If so, can you prove it on paper? That debate lies at the core of the Management Charter Initiative, which is now more than three years old and beginning to point to some tangible achievements.

"Against the promises of the past, we've now actually started delivering things," says Mike Taylor, acting chief executive who was seconded from Shell. After a long period of deliberation, "we've moved away very dramatically from being a talk shop".

The Management Charter Initiative (MCI), formally launched in July 1988, commits its members to a code of practice designed to boost the extent of leadership and management training across the country. More than 850 British companies, public sector agencies and institutions have signed up.

However, not everyone is so enthusiastic. "I'm all for management training," says Professor Leo Murray at Cranfield School of Management. "But I am thoroughly disappointed by what has happened at MCI after all this time. It doesn't seem to have had much impact on British industry."

The organisation was originally inspired by a series of depressing research findings on the state of British management, published in the mid-1980s. Work by the National Economic Development Office, Professor Charles Handy and others in the academic world pointed to an abysmal lack of management training. "They were very condemnatory," says Mr Taylor.

Lord Young, then in charge of the Department of Trade and Industry, threw down the gauntlet. John Banham, director-general of the Confederation of British Industry, and Bob Reid, chairman then at Shell and now at British Rail, were among those who picked it up.

But they decided no existing body could do what was required, and hence founded the National Forum for Management Education and Development, the parent body of MCI. "Our aim was to improve the quality, quantity, relevance and accessibility of management education," says Mr Taylor. "Those elements are still the driving force."

The most important achievement of the MCI, according to Mr Taylor, has been the development of management standards linked to judgments of the competence of individuals. "It is the first ever definition of the managerial role in the UK," he says proudly.

Occupational Management Standards I and II, for junior and middle management, have now been published. An additional version for supervisory staff is due out at the end of April, while a more senior strategic-level equivalent is also under discussion. The aim is to highlight a series of "units of competence" at each level of management, made up in turn of a series of "elements."

In Management I, for example, one of the nine units of competence is to "seek, evaluate and organise information for action." Its elements include obtaining and evaluating information to aid decision-making, and recording and storing information. In Management II, a third element is added: forecasting trends and developments which affect objectives.

Mike Taylor

Mr Taylor stresses that competence goes beyond the traditional evaluations offered by academic courses – measuring knowledge, understanding and ability – to assess what people are able to do with these skills. They provide a framework for management teaching in colleges as well as at work.

MCI's Mr Taylor also points to the organisation's role in the development of "APL" – the accreditation of prior learning – which it is formulating through a number of pilot projects. The idea is to assess competence based on work experience and through the use of professional evaluators.

The Charter's third achievement has been to establish local networks across Britain – now numbering 51 – to bring local organisations committed to managerial training into contact with one another, and with other bodies such as the government's Training and Enterprise Councils.

Safeway, the food retailer, has used the MCI competencies to help plan a new phase of in-house training programmes – including a certificated course for 300 management trainees, and a pilot diploma recently launched which will run over a four to five-year span. "Everyone likes to have standards, and things to be measured against and offered feedback on," says Peter Cox, director of human resources.

He says the guidelines provide benchmarks, and have helped the company move quickly towards a new structure for its management training. Safeway applied them in its own way to meet internal requirements, and was helped by its existing commitment to training and assessment.

However, MCI has a number of critics. Some say the idea of assessing competence is of limited or no use. Even when they grant it significance, they argue the organisation never consulted widely on how it might best be measured.

Professor Murray argues that none of the criteria is particularly original or significant. "Basic skills can be taught. But the ability to codify competence reduces dramatically up the managerial scale," he says.

Andrew Kakabadse, professor of management development at Cranfield, argues that most executives know their limitations and problems. The best ones are also often not very good at identifying what skills are most significant to effective management. What they need is people to help them implement their ideas, not to interfere by testing their competence.

He sees little difference between the MCI standards and the core elements in existing business school and management training syllabi. A certificate of managerial competence might at best act like a reference: "It could get you into an interview, but I suspect it will do very little more."

MCI's local networks may be a far more significant contribution to emerge than attempts to quantify competence, although their future has yet to be clarified now that TECs are up and running.

It will be some years yet before the first managers trained and certified according to the MCI guidelines can truly be assessed to see where they stand against their peers.

Andrew Jack

PROFILE: Manchester Business School

A finger on the pulse of industry

THE DESIRE to produce functional managers capable of handling the process of change has been the cornerstone of the Manchester Business School's (MBS) educational philosophy since its launch in 1965. This northern pragmatism, developed with an international perspective, has provided a counter-balance to the proliferation of management theory. The school's fundamental belief is that people learn best by doing things.

For MBS students, this means course work dominated by projects, an approach which has been refined through collaboration with industry. Although the school is a national institution (around half its MBA students come from overseas), it is acutely aware that it is one of the few such institutions in the north. Regional responsibilities have helped shape educational policy; local companies are crucial in providing students with "real" projects.

By adopting a non-thematic approach to teaching, the school believes it has certain advantages over those who rely on case studies. The champions of the project-led method argue that it allows students to put their fingers on industry's pulse and that new management issues emerge from real situations – well before the theorist arrives on the scene.

Professor Tom Cannon, the school's director, is particularly keen on what he terms "the double cycle of learning" – the acquisition of knowledge and the application of that knowledge. Without one, the other is diminished.

"We have to recognise that managers do not stop learning when they leave business school. The MBA is two years out of a business career that could last over 40," he says.

"One of the weaknesses of management systems everywhere is that we are not trained to learn from what we do. We make the same mistakes again and again."

The project approach has other advantages, he says. It breaks down barriers between academia and industry, and also creates a team spirit. One of the most successful examples is the school's International Business Programme, under which teams of students are contracted by outside companies to examine a real international business opportunity. The team travels abroad and tackles the problem as an integral part of the MBA course; learning and application become sides of the same coin.

The debate about method is part of a wider debate about the kind of manager which business schools ought to produce. Professor Cannon believes that business is changing so fundamentally that a new breed of manager is necessary. This modern manager will be flexible and able to understand the relationship between various management disciplines.

Corporate Responsibility is used to support the argument. Now something of a bandwagon concept, it has been recognised at MBS for a number of years. The school has a chair of corporate responsibility endowed by the locally-based Co-Operative Bank, but the debate about the necessity of the subject has been left behind. The emphasis is now on the broader perspective, treating the subject as one with obvious links to other issues.

"We teach corporate responsibility from an issue perspective, drawing together all its dimensions," says Professor Cannon. "We constantly emphasise the way things go together. You cannot over-emphasise the unitary nature of management."

According to Professoressor Cannon, managers need effective strategies, but often substitute blind faith. The best managers are those who can manage change and recognise that there is a time scale to change.

"It is all very easy for a company chairman to talk about his policy towards the environment, but, if the control and financial systems are not in place, right down the line, then the grandiose statements are worthless."

The need for "general managers with a wide portfolio of skills" is a consequence of events like the growth of information technology, and of business itself reassessing operational methods. He argues that organisations are becoming smaller as markets fragment, and that structures within even the largest companies are beginning to reflect this.

"There are those who believe we are going through a new kind of industrial revolution; but what you come out with will not be what you went in with," he says.

"For instance, my own concern is not competition from London Business School; I know how to compete with them.

"My problem is to compete with the freelances, the small groups offering seminars, who are picking up a nice piece of our work.

"Operating in today's markets is more like guerrilla warfare than a field campaign, and companies need guerrilla fighters."

Tom Cannon: keen on what he terms the "double cycle of learning"

In spite of the confidence of its director, Manchester Business School's survival in its present form is by no means certain. The paradox is that at a time when organisations are becoming smaller, there is a body of opinion which doubts that the school can meet future challenges without growing much larger. It has only 65 members of faculty.

The easiest route to expansion would be to merge the school with the management and accountancy departments of the University of Manchester and the University of Manchester Institute of Science and Technology (Umist). This would create a full service business school double its present size.

Professor Cannon does not think it will come to a formal merger, but accepts the inevitability of greater collaboration between the three bodies. A part-time MBA course jointly run with Manchester University is the first fruit of this emerging partnership.

The Manchester Business School still has considerable faith in its ability to produce efficient managers. The main problem is that industry's goal posts are moving from year to year. Professor Cannon believes that the philosophy of management is undergoing a massive shift, which educationists are struggling to define.

He says: "One of the most quoted definitions of management is 'getting things done through people'. I think in future that this will change to 'getting things done *with* people'."

Martin Regan

PROFILE: Satellite Management International

TV link-up rules out those grand business junkets

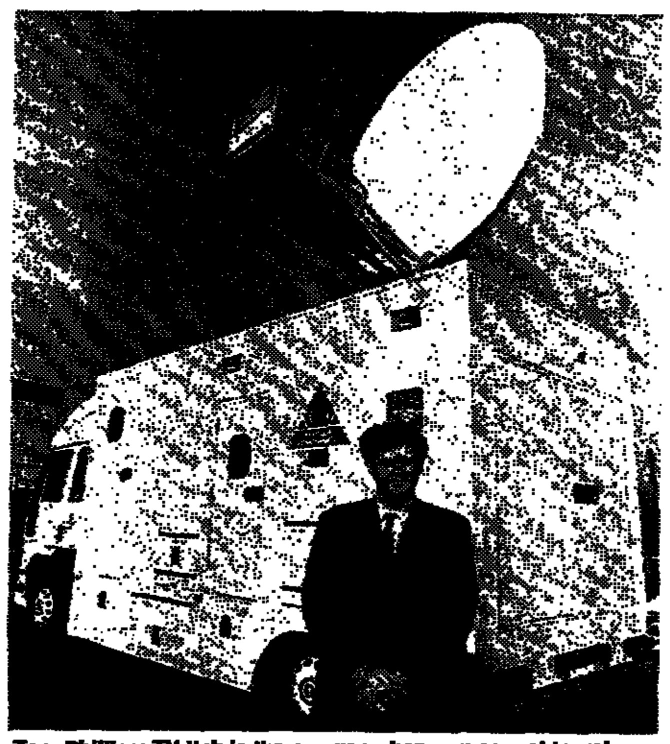
MODERN mass communications have produced a global village, but only in the run-up to the 21st Century are corporations beginning fully to grasp the possibilities that technological invention can lend to their management style.

At the forefront of satellite technology exploitation are such companies as Satellite Management International (SMI), one of Europe's leading providers and organisers of large-scale satellite television events and private television networks.

SMI is a division of British Aerospace Communications (BAeCom), the communications services subsidiary of British Aerospace. In October 1988 BAeCom was granted a licence by the Department of Trade and Industry, permitting it to operate a one-way point to multi-point space satellite communications service, and it now operates a service throughout western Europe.

Mr Tom Phillips, SMI's sales and marketing director, says that "since June 1990, when BAeCom took over SMI, turnover has doubled – it will be between £3m and £5m this year".

SMI's main business is the servicing of corporate clients with private television networks. The UK has no more than 10 such networks (against more than 70 in the US), and SMI accounts for six of these, including Norwich Union, Digital, Federal Express, BMW, Texas Instruments and Bupa. For Norwich Union, SMI provided an hour's worth of satellite TV – a Budget day special, beamed into 28 of the company's branches, including a live phone-in to a studio presenter.



Tom Phillips: TV link is the answer when you cannot travel

Besides its company-dedicated services, SMI provides *ad hoc* single event productions, such as a live pan-European programme on January 23 this year, when 2,500 people from Stockholm to Valetta listened to the actor John Cleese deliver a paper on "Creativity in Management". Beamed from the Grosvenor House hotel in London, John Cleese reached 12 European cities, where guests could follow up his presentation with questions.

One of the main applications where Mr Phillips hopes that SMI and other business television networking will come into their own is in their ability to do away with the grand – and grandly expensive – business junket, at which middle managers and upwards expensively entertain themselves while imagining that they are doing business.

Mr Phillips cites an example that SMI dealt with only last month, "a fairly typical travelling roadshow, where senior executives of a company were planning to visit eight of its outlets over a week or so. At each site they would address between 200 and 500 staff. The real cost of that visit is not just the hotels and so on, but the time spent away from the office by those managers, plus many other factors."

That consideration makes one hour's worth of private satellite television, at £7,000 to £10,000, quite attractive. SMI undertakes to provide production, transmission via satellite, and all necessary reception hardware, with everything encrypted to standards of which, according to Mr Phillips, the Ministry of Defence or the Central Intelligence Agency would be proud.

SMI's first client, the motor manufacturer BMW, uses the satellite link to put itself in touch with its 165 or so franchised dealers in the UK. One hour a week, with the aid of a small dish, a BMW dealer – and only a BMW dealer, aided by a de-coder – can receive information on new products, sales and profits, in fact everything relevant to the business of selling a BMW car.

Mr Phillips believes that SMI – and no doubt other companies which will soon be joining a market that seems almost certain to expand – offers a service which complements the normal business meeting. "Of course, you've still got to see the whites of their eyes," he says. But at the same time, "events like the Gulf War, when there is a security crisis and businessmen and women are not travelling anything like as much as usual, see a dramatic rise in the amount of customer interest. When you can't travel, for whatever reason, having your own dedicated private television link is a perfect answer if you need to contact your staff."

The development of corporate TV networks in Europe so far lags behind that of the US. But with technology working towards smaller chips, dishes and satellites, its cost is bound to plummet in the next decade. By the turn of the century, managers may well be operating from home, armed with their very own personal mobile dish, choosing to "see the whites of their eyes" only if absolutely forced to do so.

Gary Mead

Fingers on the button

Have you ever tried phoning your own company, especially near closing time, perhaps with an unusual request, to see how you are dealt with? How was your call handled? What impression were you left with? Would you call again?

This test of how well your business comes over on the telephone is suggested in Better Telecommunications Means Better Business, a guide* to getting more out of your telephone and fax machine, produced by the CBI and STC Telecommunications.

Does your switchboard sound like Sugar Cupcakes Ltd or is it more like Aggressive Valves Ltd?

Good afternoon, Sugar Cupcakes. Can I help you?.. I think Mr Johnson might be able to help. I'll put you through.. I am afraid Mr Johnson isn't in. Can I take your details and ask him to call you?.. I'll ask him to call as soon as he returns.

Compare this with. *Yeah!.. Dunno (Oi Dave, is Jim in?).. The bloke who does that isn't here.. Can you call us back?.*

Have you ever trained your staff to take incoming calls? the guide asks. Do your staff understand the telephone system and does your operator know enough about your business and your whereabouts to answer simple enquiries? What happens at lunch time and after office hours?

But handling the telephone is not just a question of telephone manner. Small businesses need to install the right system if they are not to lose business opportunities, the guide suggests.

Many businesses do not expand their telephone system to cope with increased sales. A florists with a single telephone was losing business because the owner could not answer it while serving customers in the shop while her two assistants in the workshop were too far away to respond. The florist installed a system which allowed calls could be taken in the shop, the workshop or the stockroom upstairs.

The guide contains sections on how to make use of computer communications, fax and electronic mail and mobile communications.

**From STC, Tel 0800 282726 and CBI, Tel 071 379 7400. £2.50 to members, £5 to non-members.*

Charles Batchelor

Patti Waldmeir reports on a course designed to teach business basics in South Africa's townships

Always charge more than you paid for it

First you learn how to turn on the calculator. The so-called "Township MBA" course – taught to South Africa's aspiring black entrepreneurs, the hawkers and hairdressers of Johannesburg, the traders and dressmakers of Cape Town – is nothing if not basic.

"Remember: always charge MORE than you bought your goods for. In this way, you can be sure to make money for yourself," a course workbook instructs students.

Decades of apartheid – with its racial bars to business, restrictions on property ownership and poor non-white education – have stifled both the skills and the spirit of enterprise in black South Africa. Some business sectors thrived in the late 1980s as various state controls were relaxed; the black taxi industry now carries over 1m passengers a day, and is believed to employ 300,000 people, directly or indirectly.

But most black small businessmen lack even the most basic business skills. Trident Training (a small Cape Town-based educational trust), and the Small Business Development Corporation, (funded by government and private sector business) are now trying to fill the gap with the "township MBA", aimed at training grass-roots entrepreneurs.

Participants learn skills like operating a calculator – Trident estimates that 49 out of 50 new students have never before used one – costing, merchandising, and managing cash flow.

Tony Davenport, the Rhodesian-born ex-missionary who pioneered the Township MBA course, calls them "survivalist entrepreneurs": people who start their businesses to escape unemployment. Some aspire to riches, but not many. Most trade a little or hawk a little, merely to prevent starvation.

Government officials believe there may be as many as 4m people involved in the so-called "informal sector" of South Africa's economy – self-employed people whose economic activity is largely unrecorded in the country's official statistics – nearly as many as are employed in the formal sector.

No one would deny the rapid growth of employment in the informal sector. The pavements of Johannesburg, formerly pristine and empty, are crowded now with nursing mothers selling guavas and green peppers, boerewors rolls and bead necklaces; in Soweto, welders capitalise on unrest by fitting security gates to township houses; in Khayelitsha, near Cape Town, traders sell pre-fab shacks to squatters.

As the full horror of South Africa's unemployment problem has come into focus – from 1985-89, the formal sector absorbed only 12.5 per cent of new entrants to the labour force, down from 73.6 per cent in 1965-70 – government officials, academics and businessmen alike grasp at the hope that the informal sector can feed the unemployed.

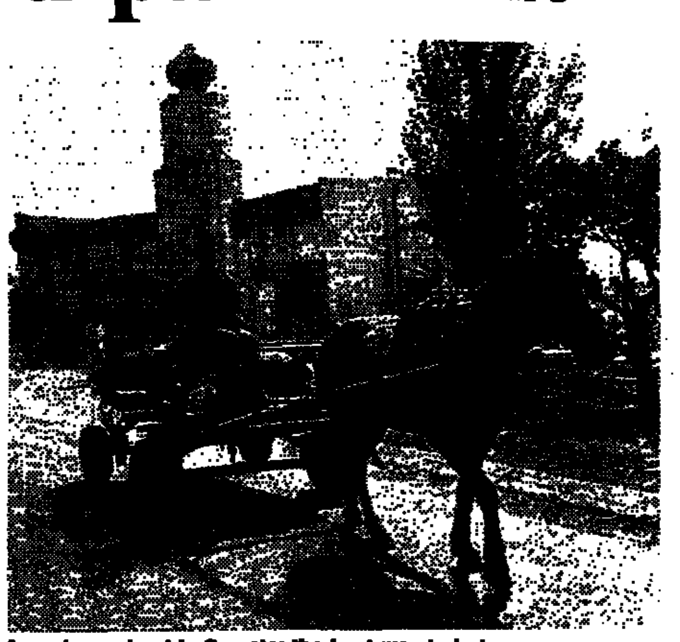
But Davenport sees the informal sector as the only way out: "The best way to solve the unemployment problem is to stimulate the self-employed, because these people are climbers. All they need is for rungs to be put in the ladder."

Participants in the Township MBA course – MBA stands for "managing business activities" – must already be in business (that ensures basic numeracy) and must be able to read and understand very simple English. The course, which costs Trident about R300 (£60) per person to run, is free to participants. Costs are paid by a bursary trust funded by business. So far, some 1,000 people have been trained by Trident in the Cape Town area, and the same course is now being used by the Small Business Development Corporation in Johannesburg and other centres.

Trident takes a down-to-earth approach to cash flow management: first take a lock-up cash box (or cake tin, shoe box or plastic box); label four plastic bank bags for "loan repayment", "money for my business", "savings", and "money for me": start a savings account.

Confusing terminology is avoided: participants are taught how to decide how much money to put in each bank bag each week; they are encouraged to save at least one quarter of the amount left in the "money for me" bag at month end.

Those who complete the course may be eligible for a loan; R500 on average. But repayment problems have been severe, says Davenport, highlighting perhaps the most serious problem affecting black small businessmen: lack of access to capital. Because blacks have until recently been barred from owning freehold property, most have no security to offer lenders; administration costs on small loans are high, and the repayment record of many black small businessmen has proved poor.



A coal merchant in Soweto: the best way to help unemployment is to stimulate the self-employed

"Some people have genuine difficulty, but others simply feel they have no obligation to repay," says Davenport. Now he is piloting a scheme with Standard Bank which is aimed at giving recipients an incentive to repay; R100 will be loaned initially, with R105 to be repaid three months later.

If the R105 is paid on time, a further R200 will be loaned, with R210 to be repaid three months later, and so on.

Davenport admits that Trident's loan programme has not been a success; but the impact of the training programme is also difficult to gauge. Trident provides mentors to continue advising those who finish the course, but follows only 5 to 10 per cent of former participants for any length of time. Most say the course improved their business; but Davenport admits that many people say what the mentor wants to hear, fearing they may otherwise jeopardise their access to future loans.

Alred Bosbie, 47, owner of a "spaza" or grocery shop in the Khayelitsha squatter camp near Cape Town, insists he is making more money as a result of the course; his profit is R280 a month, after salaries, on sales of R2,000. But he seems largely to have ignored lessons on merchandising; the shelves of his cavernous wood and corrugated iron shack are sparsely furnished with a few dusty tins of tomato purée, toilet rolls, bottles of cooking oil and packets of maize meal.

A few doors down the street, another course participant, Nokwakha Madikwa, 29, has her small spaza shack looking packed and prosperous, festooned with red Coke flags and offering a wider range of necessities. "I record every single thing now," says Madikwa; "that way it's easier to pick it up if my assistant is giving people things for nothing, like cigarettes."

Madikwa, too, says her business is more profitable now; but when asked whether her sales have increased, she grossly understates the total – probably because she is applying for a loan to increase her product line to include hardware items. Unfamiliar with business and bankers, Madikwa apparently thinks that she will not get a loan if she demonstrates past success.

Michael Magade, 48, is one of Trident's most successful graduates: his spaza shop, hidden down one of the aimless dirt-tracks which criss-cross this huge squatter camp, makes a net profit of R1,400 a month, on sales of R5,600. "Before I attended the course, I just bought and sold. Now I've learned about customer relations," he explains. "The course taught me to apologise to the customer if I don't have what he wants," Magade adds, noting that lessons on cash flow, price competition, and promotion were also useful.

He eagerly displays ledger-books bound in green and filled with the precise hand of an accountant, and explains that he has invested the shop's profits in the purchase of a Khayelitsha petrol station, as part of a 38-member syndicate.

But business in South Africa's townships is never quite that simple. Magade has prospered not only through skill, but through connections; he is an associate of the township's mayor. In an area controlled largely by rival gangs, alliance with the mayor, who heads one of the most powerful gangs, ensures custom for Magade's shop. As Davenport observes, "business in the informal sector is 'relational', not 'transactional', and we must take that into account."

Critics of the programme question the wisdom of teaching relatively complicated book-keeping methods to people who are sometimes only semi-literate; indeed, they ask whether it is possible to *teach* people to make money.

But in a country where the rise of an enterprise culture among blacks has been prevented so systematically over decades, skills training is surely required. Davenport is confident that his "survivalist entrepreneurs" will take it from there. "There is a strong spirit of free enterprise in the black community," he insists. With the skills to exercise it, he hopes black small businessmen will soon be able to make a significant contribution to economic growth.

In brief...

■ A call for the creation of a Business Samaritans service to provide telephone counselling to businessmen and women in difficulties has been launched by David Grayson, managing director of operations at Business in the Community (BiC), the umbrella organisation of the enterprise agencies in Britain.

The Business Samaritans would provide help out of office hours and at weekends.

A survey of enterprise agencies carried out by BiC showed a 25 per cent increase in demand for counselling sessions as a result of the recession.

This upsurge has occurred at a time when the agencies' own finances are under pressure.

Extra government funds should be made available through the Training and Enterprise Councils to help small businesses survive the recession, Grayson said.

■ A former Soviet army barracks south of Budapest in Hungary may be converted into workspace for 75 businesses as part of a project which is being advised by a London enterprise agency, Hackney Business Venture.

The barracks is central to the development of the Enterprise Organisational Foundation, formed a year ago by a consortium of local interests in the town of Kecskemet.

Paul Chaplin, chief executive of the Hackney agency and consultant to the project, has recommended a total investment of £350,000, half to come from the Hungarian authorities and half from UK sponsors.

This would fund the workspace, credit guarantees to small businesses, training and advice.

Contact Paul Chaplin, 227 Mare Street, Hackney, London E8 1HB. Tel 081 533 4599.

■ A manual to help tutors develop entrepreneurial skills among older students has been produced by Durham University Business School (DUBS).

Enterprise in Vocational Education and Training is intended for students of 16 years and older and is designed to be compatible with the main curriculum followed by the students.

For further information contact Mike McLean, DUBS, Mill Hill Lane, Durham City. DH1 3LB. Tel 091 374 2242.

■ A training course designed to help the small but established companies in the London area to grow more quickly is to be held over five weekends between April 19 and June 22.

Topics covered by the Accelerated Growth Programme include business planning, marketing, people management and personal development.

Contact Enterprise Training Centre, 63-67 Newington Causeway, London SE1 6BD. Tel 071 403 0300. Fee £1,750.

■ Three out of four small businesses believe that the best way of improving their relationship with their bank manager would be for the bank to invoice for bank charges.

At present bank charges are simply deducted from the account.

Invoicing topped a list of improvements suggested in a survey carried out by the Forum of Private Business. Reduced interest charges were proposed by 66 per cent of respondents followed by improved criteria for making loan decisions (38 per cent).

Respondents were asked to suggest three improvements.

■ A former Edwardian depositary building in north Kensington, London, is being converted into 48 small business units of between 220 and 1,400 sq ft each with rents of £9-£16 per sq ft. A further block in the Pall Mall Deposit will provide 13 light industrial units of 400 to 900 sq ft.

Refurbishment of the building, which has been bought jointly by London Industrial and English Estates, is due for completion in July 1991.

Contact London Industrial Tel 071 247 7614.

■ Buy-outs in a Recession is the subject of a two-day conference to be held in London on July 2 and 3. The conference will consider whether mezzanine finance still has a role to play in buy-outs, if large deals are still possible and the problems associated with the financing of a corporate restructuring.

Contact BRI, IBC House, Canada Road, Byfleet, Surrey KT14 7JL. Fee £545 + VAT.

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Sensual still-lifes

William Packer reviews Euan Uglow

An exhibition by Euan Uglow is always an occasion for London's art world, and his latest, *Ideas 1952-91*, just opened at Browse & Darby (19 Cork Street W1: until May 4), is at least as intriguing as any of its predecessors. He is, quite simply, one of the most distinguished painters of the figure that Britain has produced since the war. With Francis Bacon, Frank Auerbach and Lucian Freud, he stands in a narrow and elevated company. For his scrupulous attention to the visible fact and its realisation on the canvas he is closest, perhaps, to Freud, but yet they could hardly be more different. Each has arrived at his present position by his own distinct route.

In Uglows's case, it was by way of the Slade under the aegis of that proponent of exact measurement, William Coldstream. But again the two artists could hardly have been more different: where the elder painter would always struggle to sustain the self-imposed system of measurement and remeasurement to register each shift in the perception of the real and objective world, the younger would both accept and transcend such limitations. There too, visible in the work, are all the marks of reference and registration, but not carrying with them any sense of failure, indecision and frustration.

Rather they supply the abstract formal structure, the spatial matrix within which the visible object may be fixed and tested, and the changes that occur through the long process of the painting properly monitored and registered. It is a nice irony, that in the devising and mastering of such a method, to the end of establishing the object and permanence of things, their essential mutability and the passage of time emerge as central preoccupations. The model stoops and bends and returns to the same mark; the flower droops; the fruit slowly shrivels in the bowl.

But this is not an exhibition of Uglow's work with the live model, that now constitutes his principal and already substantial achievement. It is instead a retrospective of his work with still-life, that has been its constant undercurrent. The trouble is that while these paintings are not exactly secret, appearing as they have over the years in ones and twos, they might all too easily suggest something little more than an adjunct to the main body of the work, a mere relaxation and diversion.

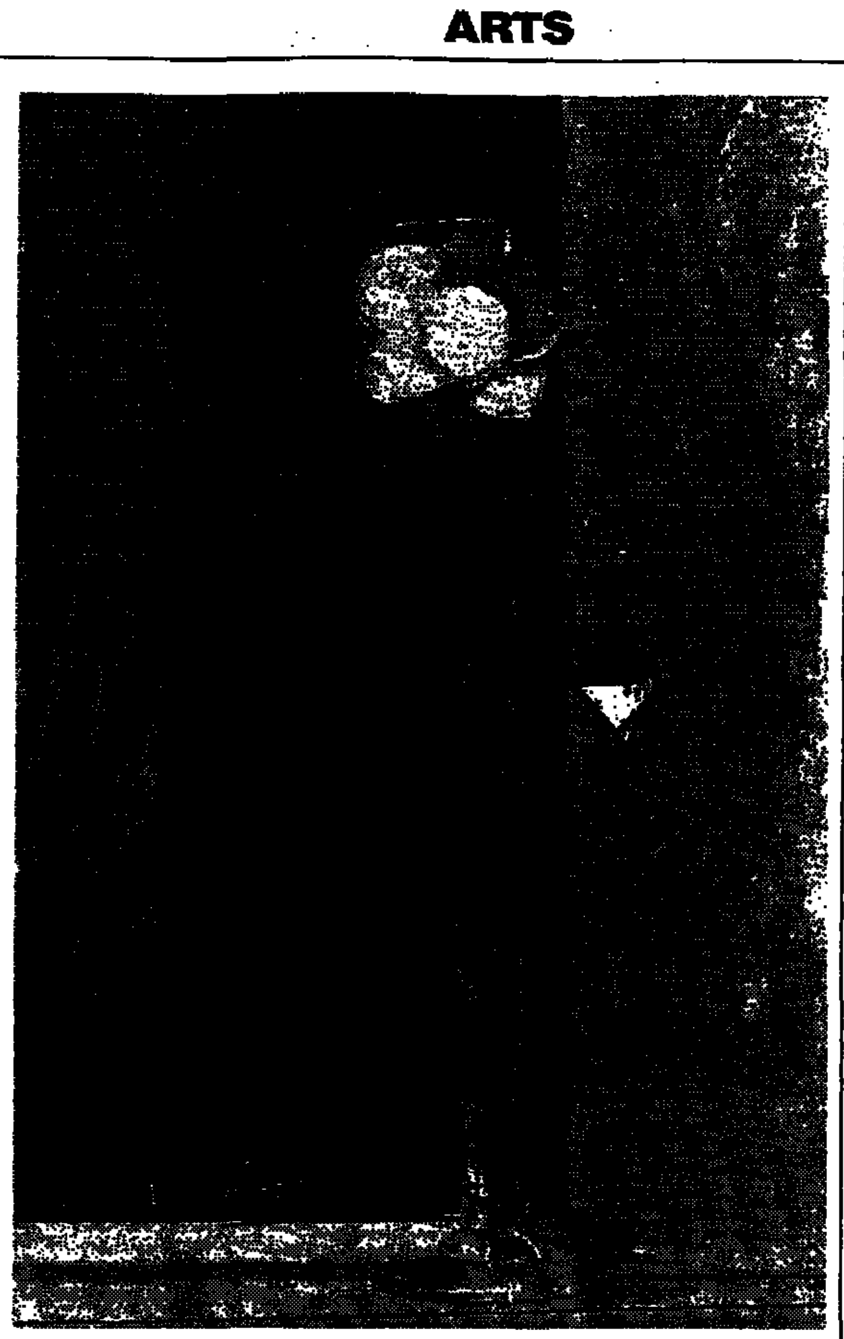
The contrary is almost the case. On entering the gallery, what we confront is a body of work, sustained now over nearly 40 years, that to any viewer innocent of the artist's larger engagement with the nude female figure must propose that here we have perhaps the most distinguished painter of still-life we have produced since the war. But it is not really a case of an either/or, of the figure against the still-life. While it might be useful, this once, to be reminded of the existence of this work as a distinct corpus, it works at a more fundamental level to proclaim the essential interdependence of the two.

To those of us more familiar with the major nudes – and it might have been useful to have been allowed the sight of just one of them – thoughts of the comparable status of the model as object, the figure as still-life, are inescapeable. And as for the still-lifes themselves, their most intriguing quality is an immanence of physical richness, succulence, sensuality – a quality more usually conjured up by the image and imaginative presence of a woman, remote pictorial convention though she may be.

As in the figure paintings, so in the still-lifes, the space is the same: simple, shallow, frontal, eminently contrived. The wall or screen behind shuts off and encloses this little world, as though it were a stage on which the creative imagination may propose anything. But that stage must be occupied to be effective, that space articulated. In this respect Uglow's pictorial logic is unfailing, perspectives immaculate, relationships established, precise and credible. It is not by chance that he has called this show *Ideas*, for the formal games, contrivances and devices he finds irresistible.

The camellia in the tall thin vase, the single pear on the table, the classical statuary head – such ideas return to him again, and again, after many years. But it is not so much the idea as the image, and the direct fascination he has with the object itself, just as with the model as she sits there before him in the common space of the studio, that is surely the truer interest. Being less cerebral, more intuitive, hardly makes it less profound.

The truth would seem to be that in Uglow we have the classical and the romantic temperaments combined at a critical equivalence, his romanticism disciplined and the more poignant for its constraint, his classicism the determining quality, yet ever moderated by his sensibility. The classicist might wish to parade his cleverness from time to time, but the romantic often diverts him, even runs away with him unawares. And it is in the still-lifes that we see the grip relaxed, the touch no less exact but lighter, the paint looser, more seductive and ambiguous, if only by a degree, the colour sharp, juicy, piquant. Just so do we think of Zurbaran perhaps, of Fantin-Latour, of Chardin above all, for the gentle, sharp physicality of their observation, though it be only of still-life, that is paradigm and metaphor of life itself. Memento mori.



Camellia, 1981, by Euan Uglow. Oil on canvas

Russian Spring

ROYAL FESTIVAL HALL

Festivals follow festivals on the South Bank with hardly a pause for "non-thematic" pleasures. Now we have entered a *Russian Spring* and been invited to celebrate the belated cracking of the deep deep ice of Stalinist ideology, and examine the cultural-historical consequences of the thaw. A Hayward Gallery exhibition, *The Twilight of the Tsars*, and a literature series called *The Revolution of the Word* complement the far-reaching and well-devised musical investigations of the *Russian Spring* itself, which opened over the weekend with two concerts at the Royal Festival Hall.

Later concerts will focus attention on the youngest generation of Soviet composers to win acclaim in the West (Sofiya Gubaydulina, Elena Firsova, Dmitry Smirnov) and on such neglected and fascinating figures of the post-Revolutionary decade as Alexandr Mosolov, Sergei Protopopov and, chief novelty, Nikolay Roslavets. But to begin with we heard from the Soviet Union's two senior composers, the establishment of whose Western reputations essentially pre-dates perestroika – Edison Denisov (b. 1929) and Al'fred Shnitke (b. 1934).

The latter is Shostakovich's authentic heir: a composer of limitless technical resource; audacious innovator and passionate ironist; able to generate with his own means the sort of sustained bleak intensity and wild satire that are the twin characteristics of Shostakovich's music. The satire of *(K)ein Sommernachtstraum*, the first item on the London Philharmonic's programme on Saturday night, is, however, less wild than weird and wry. The ambiguous title was a warning to the audience of the 1983 Salzburg premiere that this would be no Mendelssohnian reverie. As in Angela Carter's short story, *Overture and Incidental Music for "A Midsummer Night's Dream"* (set in a cool and sneezy English summer), Shnitke's wood "is, of course, nowhere near Athens; the script is a positive maze of false leads".

The unlikely first sounds are from a violin-and-piano duo at the back of the second violins, and a harpsichord at the back of the cellos. Their quasi-Schubertian minuet is passed round the orchestra and subjected to all manner of delightful, witty transformations. In close canon it becomes the basis of a Mantovani "tumbling strings" effect. The brass occasionally flatten it; and it ends life as an insouciant farewell flute solo.

Under Kurt Masur's direction the brief and brilliant piece came off superbly. Throughout the concert the LPO's playing had crisp detail and glowing freshness; ensemble was rarely less than spectacular. Shnitke's huge, bold, searching Cello Concerto No. 2 (1986) received a triumphant British premiere in which the staggeringly assured soloist was Natalia Gutman, for whom the work was written. (But the cello's amplification at the close seemed kitschy, whether specified by the composer or no.) Tchaikovsky's fourth symphony in the second half had passionate dark drama, recklessly fast tempi, and knife-edge precision.

Edison Denisov's first mature orchestral piece *Peinture* (1970) was the compelling 12-minute opener of the BBC Symphony's concert, conducted by Andrew Davis, on Sunday night, which also included Tchaikovsky's *Pathétique* symphony and a flawlessly accomplished yet somehow tedious account of Shostakovich's second violin concerto by soloist Dmitry Sitkovetsky. Influenced in its technique by the work of Denisov's painter friend Boris Birger, *Peinture* was notable for Ligeti-like webs of dense polyphony, a climactic outburst from three timpanists, one to a drum; and a pair of depths-sounding solos for contrabassoon.

Paul Driver

Towards the Millennium

ROYAL FESTIVAL HALL

In each successive year from now until 2000, the South Bank's *Toward the Millennium* series is to celebrate a successive decade of our century – not only by re-playing established masterworks, but by delving for those that got missed out. Friday's concert by the City of Birmingham Symphony Orchestra offered Rakhmaninov's 1909 Third Concerto, doubtless for safety, and some particularly intrepid delving which brought up Josef Suk's Symphony no. 2 (1904-6), the "Asrael". In the event, the expectations I had proved to be all awry.

There are fine, serious pieces by the Czech composer (born 20 years after Janáček, among them a visionary cantata called *Under the Apple-tree* which made a considerable impression on records a few years back. The Second Symphony was Suk's response to personal grief: he began it as a memorial to his father-in-law Dvořák, but in mid-composition his wife also died ("Asrael" is the Angel of Death). The result was this five-movement, hour-long symphonic elegy, predominantly slow, much of it generated from a ubiquitous "motto"-theme. For all the sensitive care that Simon Rattle and the CBSO lavished upon the work, it seemed too anchored to an expressive monotone, and too starved of symphonic energy, to justify its length.

Perhaps I just didn't succeed in tuning to the right wavelength for this music. For all that I could hear, Suk sustained his grief-stricken mode, transformed his basic material regularly and diligently, added some small imaginative touches in the orchestration, supplied some contrasting quicker passages that go nowhere in particular, and concluded – after an interminable time – with a routinely "ethereal" ascent in a major key (and a plain echo of Strauss's *Zarathustra* close). There is some play with odd, pungent chord-sequences, but they barely ruffle the surface of a blandly tonal score. More sympathetic listeners may well think me cloth-eared.

Against the expected new depths of the Suk symphony, the Rakhmaninov concerto might have been intended to illustrate the persistent 19th-century hangover – particularly with Cécile Ousset at the piano, since she revels so brilliantly in the devices of late 19th-century pianism. But no: not only was this the new, romantically flexible Ousset (the ice-princess who now reveals a melting heart), but the conductor Rattle was bent upon setting Rakhmaninov's boldest flights in bold relief – his genuinely daring harmonic moves, the creatively spare orchestration, the sharp structural surprises.

Ousset was in quite wonderful form, and all the "pianistic" stuff was masterly. The whole performance was stretched taut between extremes: from a rigorous *sotto voce* start to a triumphantly reckless speed for the thudding-tune in the Finale, and for the peroration an operatic *rubato* on the grandest scale, just a notch short of rapturous parody.

David Murray

Alastair Muir

Wilhelmenia Fernandez and Damon Evans in 'Carmen Jones' which opened at the Old Vic last night and will be reviewed in tomorrow's paper

Dawn Upshaw

WIGMORE HALL

On Saturday we had a solo recital at last from Miss Upshaw, who has been picked up greedily everywhere else while British scouts were asleep at the switch. Describing this young American soprano as your ideal soubrette wouldn't be far wrong, if taken in the most complimentary way. The voice has a disarming, "natural" openness, a silvery ring up top, (but also a soubrette's appealing huskiness at the corners of phrases), a candid middle – *and* true pitch. Furthermore, she has an open-armed address, (literally: she enacted every song with unabashed gestures), palpable intelligence and the professional energy of a musical comedy star.

She is a hands-down winner, and tickets for her performances are going to be hard to find. Part of her poignant appeal lies in seeming to have reached a miraculously early prime: one thinks, "Can this possibly last?" But probably it will; she is too clever an artist to let a fresh, pretty voice serve as her trump, as her choice of programme showed. Little of it was standard recital-fare – the only evergreen was Schubert's "Ave Maria", which came merely as the closing song of his whole "Ellen" set (after Scott's *Lady of the Lake*).

There was obscure Schumann (the *Myrthen-Lieder* after Burns and Byron), Strauss's songs for the mad Ophelia, a new song-cycle by the American John Harbison, guaranteed to be rebarbative in popular terms, and a final Rakhmaninov group some way outside her established range. Full marks for enterprise, though against Gilbert Kalish's open-lidded piano in Rakhmaninov she found herself forcing her timbre a bit. An alert, even menacing accompanist, Kalish had very definite ideas – odd ones for Schubert and Schumann, who sounded stiff and dry under his fingers.

Miss Upshaw's whole-hearted eagerness was never daunted. In the Harbison cycle, on poems of sour maturity by Michael Fried, she compensated for her innocent tone with astringent drama. These are intricately wrought songs, as much for the piano as for the voice, or so it seemed – Kalish was determinedly forward with their bright, spikey pattern-making. At any rate, we were left in no doubt that this enchanting singer has no intention of resting on her soubrette laurels. Goodness knows what she may get up to next.

David Murray

Anowa

THE GATE THEATRE

The new production at The Gate starts and ends with some West African tribal dancing with special reference to fertility rites. For a good two hours in between, however, *Anowa* is a thoroughly well-written conventional play that draws quite heavily on Shakespeare, notably Macbeth.

The piece is about childlessness. Anowa is the Ghanaian girl who is said to have turned down 30 husbands. She goes off instead with a handsome stranger called Kofi. The couple bear no children, not perhaps because Anowa is barren, but because Kofi consumes his manhood in the pursuit of wealth and the acquisition of slaves.

As the play develops, Kofi becomes more and more like a king or emperor, even wearing a crown and sitting on a throne. Anowa becomes more and more estranged, though there is no suggestion that Kofi has been using the slaves for anything other than work. That is where the unmistakeable echoes of *Macbeth* come in. She wonders about like a mad woman; he has his form of estrangement as a man who cannot turn back on the venture he has begun. In the end, Kofi shoots himself and Anowa drowns herself – both offstage.

There are other themes. The lasting effects of slavery is one of them. So is the meeting of black and white, or perhaps domestic and foreign, cultures. Not least, *Anowa* raises the question of how an intelligent woman can cope with a predominantly male-oriented society. "I like you and the way you are different", says Kofi, "but sometimes you are too different."

Some of the touches, like the introductory and closing music, are distinctly West African. But do not go to see *Anowa* looking for something exotic. What will strike you is not how different it is from developed western culture, but how similar. It is a very well-constructed, thoughtful piece.

Anowa is played with superb self-control by Joy Elias-Rilwan, as is Kofi by David Harewood. The play is directed by Dele Charley and was written by Ama Ata Aidoo as long ago as 1970. It is part of a season of women's theatre sponsored by NatWest.

Malcolm Rutherford

INTERNATIONAL ARTS GUIDE

TODAY'S EVENTS

AMSTERDAM

Concertgebouw 20.15 Vernon Handley conducts Netherlands Philharmonic Orchestra in music by Rachmaninov and Bliss, with Kathryn Stott soloist in Chopin's Second Piano Concerto. Repeated tomorrow, Fri and Sun (6718 345)

BERLIN

Staatsoper unter den Linden 19.00 Wolfgang Rennert conducts Il trovatore with cast led by Monica Pick-Hieronimi, Rosemarie Lang and Bruno Sebastian. Tomorrow: Spartacus. Sat: Reiner Goldberg sings Tannhäuser (2004 762)
Komische Oper 19.00 Harry Kupfer's production of Idomeneo. Fri: Die Zauberflöte (2292 555)
Deutsche Oper 19.30 Stefan Soltesz conducts Der fliegende Holländer with Jose van Dam as the Dutchman and Sabine Hass as Senta. Tomorrow: concert performance of I Puritani. Fri: Otello (3410 249)
Schauspielhaus 20.00 Peter Rosel and Santiago Rodriguez play music for two pianos. Thurs and Fri: Aldo Ceccato conducts Berlin Staatskapelle (2272 261)
Philharmonie Kammermusiksaal 20.00 Peter Keuschnig conducts Berlin Philharmonic Orchestra in music by Kurt Weill and Ernst Toch. Thurs to Sun: Gidon Kremer is soloist with Berlin Philharmonic (2614 383)

COLOGNE

Philharmonie 20.00 Hiroshi Iwaki conducts Gurzenich Orchestra in Schoenberg's orchestration of Brahms' Piano Quartet, with Mikhail Rudy soloist in Mozart's Piano Concerto No 21. Tomorrow: Itzhak Perlman, Vladimir Ashkenazy and Lynn Harrell play Brahms piano trios. Thurs: Justus Frantz plays Mozart piano concertos. Fri and Sat: Celibidache conducts the Munich Philharmonic. Sun: Viktoria Mullova plays Vieuxtemps and Chausson with Orchestre National de Lille (2801)
Schauspielhaus 19.30 Tanz-Forum production of Count Dracula choreographed by Jochen Ulrich, music by Samuelina Tahija. Also Fri, Sat and Sun (221 8400)
Opernhaus A complete cycle of Der Ring des Nibelungen begins on Fri with Das Rheingold, followed by Die Walküre on Sun, Siegfried on April 21 and Götterdämmerung on April 28. Hans Wallat conducts, with Robert Hale as Wotan, Nadine Secunde as Sieglinde, Deborah Polaski as Brünnhilde, Hanna Schwarz as Fricka and Hartmut Welker as Alberich (221 8400)

FRANKFURT

Alte Oper 20.00 Nevile Marriner conducts Academy of St Martin-in-the-Fields in Stravinsky's Firebird, Michael Tippett's Water out of Sunlight and Brahms' Violin Concerto, with Anne-Sophie Mutter. Thurs and Fri: Dmitri Kitaenko conducts Frankfurt Radio Symphony Orchestra (1340 400)

THE HAGUE

Danstheater 20.15 Netherlands National Ballet in Romeo and Juliet, music by Prokofiev, choreography by Toer van Schayk. Runs till Sat (360 4930)

LONDON

MUSIC
Covent Garden 19.00 Gennadi Rozhdestvensky conducts revival of Andrei Tarkovsky's production of Boris Godunov, with a cast led by Paata Burchuladze, Gwynne Howell, Robert Tear and Eva Randova. Also Thurs and Sat (240 1066)
Royal Festival Hall 19.30 Walter Weller conducts Philharmonia Orchestra in music by Rossini and Mendelssohn, with Maria Joao Pires soloist in Mozart's Piano Concerto No 26. Tomorrow: Orchestra of Age of Enlightenment. Thurs: Andrew Davis conducts BBCSO. Fri: Rattle conducts Pelleas et Melisande (928 8800)
Theatre
This week's shows include Carmen Jones, Oscar Hammerstein's Bizet-inspired musical set in the US in the Second World War, directed by Simon Callow (Old Vic), English Shakespeare Company productions of Coriolanus and The Winter's Tale directed by Michael Bogdanov (Aldwych), Ian McKellen as Richard III (National), and the acclaimed RSC/Opera North production of Show Boat (London Palladium). Phone Theatreline: Plays 0836 430959 Musicals 0836 430960 Comedies 0836 430961 Thrillers 0836 430962

MADRID

Auditorio Nacional de Musica 19.30 City of Madrid Chamber Orchestra plays Pachelbel's Chaconne and music by Telemann, Boccherini and Vivaldi. Thurs: Mozart quartets. Fri, Sat and Sun: Dvorak's Stabat Mater (337 0100)

MUNICH

Staatsoper 19.30 Ballets by Béjart, Balanchine and Hans van Manen, also Thurs. Tomorrow and Fri: Il barbiere di Siviglia. Sat: Werther with Agnes Baltsa and Francisco Araiza. Sun: Cranko production of Romeo and Juliet (221316)

NEW YORK

MUSIC
Metropolitan Opera 20.00 Placido Domingo conducts Tosca with cast led by Teresa Stratas, Neil Shicoff and James Morris. Tomorrow and Sat: I Puritani. Thurs: La Clemenza di Tito (362 6000)
THEATRE
This week's shows include A Room of One's Own, with Eileen Atkins starring as Virginia Woolf in an adaptation by Patrick Garland of her book calling on women to declare their independence, talent and freedom to control their own destinies (Lamb's Theater), The Maids, all-male production of Jean Genet's modern classic about two sisters who try to escape their lowly position in life through a deadly game of make-believe (House of Candles), the comedian Jackie Mason's one-man show (Neil Simon) and Candida, G B Shaw's play about a suburban London matron who must choose between her husband and an 18-year old poet (Playhouse 91). Ticketron (246 0102) answers inquiries and sells tickets

PARIS

Palais Garnier 19.30 Opera Ballet in Nijinska/Nijinsky programme, including L'Apres-Midi d'un Faune with decor and costumes by Leon Bakst and The Rite of Spring in Nijinsky's original choreography. Runs till Sat (4742 5371)
Opéra Bastille 19.30 Philippe Auguin conducts Robert Carsen's production of Manon Lescaut, with Diana Soviero in title role and Vasile Moldoveanu as Des Grieux. The production runs till May 4, with further performances on Thurs and Sat (4001 1616)
TMP-Châtelet 19.00 Piano recital by Catherine Collard. Tomorrow: Boris Berezovsky, Tchaikovsky prizewinner (4028 2840)
Salle Pleyel 20.30 Jon Marin conducts Ensemble Orchestral de Paris in all-Mozart programme, with June Anderson soloist in Exsultate jubilate (4561 0630). Tomorrow, Thurs and Fri: Stanislaw Skrowaczewski conducts Orchestre de Paris (4563 0796)

ROME

Teatro dell'Opera 20.30 Il trovatore with a cast led by Aprile Millo and Dolora Zajic. Also Thurs and Sat (463641)

ROTTERDAM

De Doelen 20.15 All-Mozart programme with Amsterdam Mozart Players. Tomorrow at 12.45: lunch concert with Rotterdam Philharmonic conducted by James Conlon. Thurs, Fri and Sun: Conlon conducts Mahler's Third Symphony (413 2490)

VIENNA

Staatsoper 18.30 Horst Stein conducts Der Rosenkavalier with Gwyneth Jones as the Marschallin and Kurt Rydl as Ochs. Tomorrow: Cav and Pag. Thurs: Jenufa. Fri: Ariadne auf Naxos. Sun: Lohengrin (51444 2960)
Musikverein 19.30 Vienna Schubert Trio plays piano trios by Haydn, Smetana and Urbanner. Thurs: Artis Quartet. Fri, Sat and Sun: George Cleve conducts Vienna Symphony Orchestra (505 8190)
Konzerthaus 19.30 Gerhard Schulz accompanied by Meira Farkas plays violin sonatas by Mozart, Schubert and Brahms. Tomorrow: piano recital by Ingrid Haebler (7124 6860)

WASHINGTON

Kennedy Center Concert Hall 19.00 Lorin Maazel conducts National Symphony Orchestra in Sibelius' Fifth Symphony, with Viktoria Mullova soloist in Vieuxtemps' Violin Concerto No 5. Thurs, Fri and Sat: Maazel conducts Wagner, Druckman and Mendelssohn (467 4600)

ZURICH

Tonhalle 20.15 Marek Janowksi conducts Tonhalle Orchestra in Shostakovich's Tenth Symphony, with Frank Peter Zimmermann soloist in Prokofiev's First Violin Concerto, also tomorrow and Thurs (201 1580)

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Tuesday April 9 1991

Reshaping the exchange

THERE ARE few, even in the upper reaches of the Labour party, who would nowadays argue with the proposition that there is a strong public interest in the maintenance a healthy securities market in London. Whether there is a comparable public interest in the survival of London's International Stock Exchange is a rather different question. Yesterday's decision by the exchange's council to seek shareholders' approval for radical reforms of the constitution and governance of one of the City's oldest institutions is one more acknowledgement of a fundamental truth. In today's world of high technology and competitive deregulation there are many others who would happily take over any or all of the exchange's functions at the drop of a hat. Small wonder the council has at last acknowledged that the managerial habits of a club are no longer appropriate.

The International Stock Exchange's chief function is to provide regulated markets in securities. That, in practice, means ensuring efficient pricing, adequate liquidity and secure settlement for investors. Yet the huge upheavals in the 1980s, ranging from the abolition of exchange controls to the liberalisation of the old exchange cartel, have stripped the former club of much of its power and influence.

Justifying existence

The key regulatory function of authorising those permitted to deal in the securities market has been lost to a new watchdog, The Securities Association. The globalisation of capital flows has turned other countries' exchanges and other people's settlement systems into competitors. The victory of the screen over the trading floor has done away with the exchange's role as a landlord. In short, the exchange has to justify its own existence to survive; and that means speaking not only to the member firms that now dominate the council, but to a wider group of users.

Under the plans advanced by the chairman Mr Andrew Hugh Smith and his chief executive Mr Peter Rawlins, the council will be turned into a board with up to 25 members compared with the present 32 (and an astonishingly top-heavy 53 only a short while ago). The proposed new membership would incorporate up to five members of the exchange's executive management team. The intention is to recruit representatives of the big investment institutions, listed companies and one of the big banks, alongside leading figures from domestic, international and private client firms.

Better decisions

This is scarcely a streamlined board by modern corporate standards. But it will no doubt be further slimmed down in time. The aim is also to extract better decisions from higher quality representatives of member firms and the other users of the exchange's services. In due course this will presumably call for a widening of the ownership of the exchange, whose voting shares are entirely in the hands of securities houses.

The reduction in numbers and the increased representation for users of the exchange's services are welcome. So, too, is the more businesslike approach to setting strategy. Yet these reforms, however radical, will not in themselves be sufficient to guarantee future survival. The success of London's SEAQ International dealing system, through which a high proportion of cross-border equity trade takes place, is a tribute to the ability of the exchange to live on its wits. Moves under way to segment the market to reflect more accurately the different interests of institutional and retail investors make good sense.

But here, as with the planned changes in the composition of the council, worries will continue to be expressed about the extent to which the voice of smaller investors will be heard. And the successful introduction of the Taurus settlement system remains an overwhelmingly important test of the stock exchange's international competitiveness. The proposed changes in the council are a tribute, as much as anything, to the potent discipline of liberalisation. It is a remorseless discipline that will call for yet more radical change before long.

Ups and downs in Japan

NOT FOR the first time, Japanese politics seem to be in turmoil. A senior member of the governing party has resigned and the prime minister appears under renewed threat. All this happens the week after what look like inconclusive, even pointless, talks with the US president during another rocky period in trans-pacific relations and the week before what ought to be a momentous first visit to Japan by the president of the Soviet Union, from which a new bilateral relationship might emerge.

But, not for the first time, it is far from clear whether all this matters very much. Japanese politics provide constant delicious intrigue and scandal but the ship of state generally seems to sail purposefully on regardless. The latest drama may prove to be no exception.

The main conclusion from Sunday's local elections is that the ruling Liberal Democratic Party, internally riven as it may be, is as solidly entrenched in national power as ever. Though egg-besplattered as a result of its spectacular miscalculation in Tokyo, it scored significant nationwide gains. Even the incumbent winner in Tokyo carries the LDP banner. There was nothing even to approach the desire for change fleetingly apparent in the 1989 upper house elections, when the LDP, besieged by the Recruit affair, took a deserved hammering.

Nevertheless, the LDP did sustain the largest individual casualty – Mr Ichiro Ozawa, its secretary general, who resigned in order to take responsibility for the party's backing the wrong horse in Tokyo. Mr Ozawa will probably rise again after a decent interval, but his temporary demise is instructive in the nature of internal party politics.

Younger generation

He represents, though not exclusively, the younger generation which was supposed by now to be taking over the party from the mostly insular elders who have run it since 1974. While a conventional dealmaker domestically, he has shown an interest in international initiative and accommodation – with the US, the Soviet Union and Japan's Asian neighbours. He may have been a touch too aggressive in the pursuit of such policies for the taste of his peers, as in his advocacy of maximum Japanese aid to the Gulf effort. His replacement by another, more pliant associate of the former prime minister, Mr Noboru Takeshita, may imply a flexing of creaking muscles by the conservative old guard.

No alternative

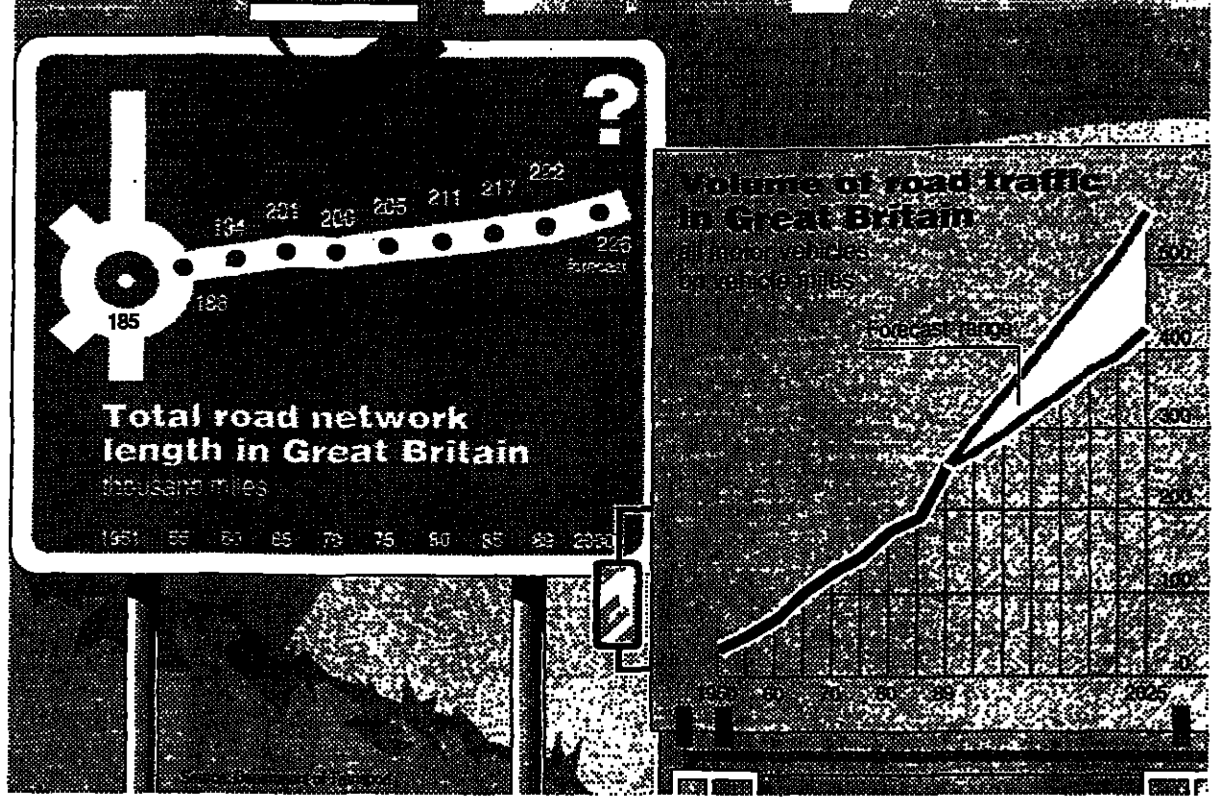
Mr Toshiki Kaifu, the prime minister, is of small account in independent political terms. He has survived for as long as he has mostly because of the absence of clean, alternative successors. It has long been assumed that he would go in the autumn. The only risk was that he might be ditched early but this is less likely now that Mr Ozawa has taken responsibility for the Tokyo debacle. Still, it is now more likely than it was – though not necessarily more likely than not – that the next prime minister will be an ancient, such as Mr Takeshita, Mr Kiichi Miyazawa or Mr Michio Watanabe, for example. Postponing the generational handover would be a pity.

However, politicians do not run Japan and matters as important as relations with the US and the Soviet Union would never be left exclusively to them. This absence of substantial political input can be a weakness, as well as a strength, in the conduct of external affairs. There is a large political content to relations with the US, where Japan is unpopular, and also with the Soviet Union, where it is far from clear that Mr Gorbachev can risk the political opposition of Mr Boris Yeltsin and the Soviet military to any deal that returns sovereignty of the four Kurile Islands, part of the Russian Federation, to Japan.

Mr Ozawa is among those able to offer an external political awareness to these delicate equations not necessarily possessed in the same measure by bureaucrats, businessmen and the insular old guard. It is, therefore, a pity that he has to go as a result of a domestic political mistake at a particularly intriguing time in Japan's external affairs. It will make it harder for Washington and Moscow to read Japan right, at least in the short term.

Unless people are eventually restrained from using their cars congestion on UK roads will become paralysis, argues **Richard Tomkins**

Pile-up in the great car economy



It is a commonly held view that road traffic congestion in Britain has reached crisis proportions. This cannot be so: for if today's traffic levels constitute a crisis, what word will remain for the congestion to come?

The Department of Transport forecasts that total traffic (that is, vehicle miles) on UK roads will grow by between 83 per cent and 142 per cent by 2025. If enough new road space were provided, this growth could theoretically be accommodated. But under the government's already massively expanded £12bn road-building programme, only 2 per cent will be added to total road capacity by the end of the century.

Against that background, and given the planning and environmental constraints in a country as densely populated as Britain, it seems inconceivable that enough road space could be provided to meet the forecast traffic growth, even if the necessary funds were available.

The implication is clear. Either Britain's roads are to become gradually more congested until they reach the point of paralysis and people voluntarily abandon their cars, or people are going to have to be restrained from using their cars.

Britain is not unique in suffering from traffic congestion; but as a country with one of the world's highest ratios of vehicles to available road space, and yet having one of the western world's lowest ratios of cars to population, its problems loom particularly large.

The main factor underlying rising traffic levels in Britain, as elsewhere, is economic growth. There is a direct correlation between economic activity and demand for transport. As more goods and services are produced and consumed, more transport is needed to carry them. With more time and money on their hands, people shop more, travel more, and go out to be entertained more.

Exacerbating the rise in road traffic is the human race's love affair with the motor vehicle. People want to buy and own cars because of the freedom and mobility they bring. The number of cars in use in Britain rose by 33 per cent between 1980 and 1990, but saturation point remains a long way off: 35 per cent of UK households still have no access to a vehicle.

Meanwhile, people are not only buying cars, but using them more, and for longer journeys. Rising car ownership has allowed urban development to become more dispersed, so people now live further away from where they work, shop and enjoy their leisure.

Recent concern over the speed of traffic growth has focused on the environmental implications of the consequent increase in exhaust emissions. This is undoubtedly a serious issue: nevertheless, it is one capable of resolution.

In the short term, people can be encouraged to buy cars with smaller engines, and manufacturers can speed up the process of making cars more fuel-efficient. In the longer term, advances in technology may provide alternative fuels which emit less carbon dioxide when burned.

The problem of road capacity, however, is intractable. While technological innovations such as electronic car navigation systems could enable road space to be used more productively, it is just as likely that these developments will make driving simpler and safer, thus opening up car ownership to a still larger section of the population.

There are several possible responses by the government.

● One is to do nothing. Road capacity could stay as it is and congestion could be left to ration the available space between users. (This is what happens in London, where no significant roads have been built for more than 20 years.)

To the extent that it is simple and cheap, this is an attractive option. However, congestion increases accidents and also produces an unacceptable diminution in the quality of life. The do-nothing option also fails the test of economic efficiency because it favours those with time to waste in traffic jams instead of those who need to get somewhere on time.

Congestion costs fall particularly heavily on industry by delaying deliveries and wasting employees' time. According to a much-quoted estimate from the Confederation of British Industry, congestion is already inflicting a cost to the economy of £15bn a year.

● The second option – currently favoured by the Department of Transport – is to adopt an incremental approach, eschewing grandiose strategies but rather tackling traffic congestion as it arises with selective road-building and road-widening schemes.

The virtue of this approach is that it is based on sound market principles. Congestion is a signal to build a new road, the department points out, just as a queue at a supermarket check-out is a signal to instal a new till.

The flaw in this policy, as today's levels of traffic congestion bear witness, is that it self-evidently does not work. A new till can be provided in days, and if it is not, shoppers can go elsewhere. But a trunk road takes 10 years to build, and in the meantime those needing to use it have no alternative but to sit in lengthening traffic jams on existing roads.

More fundamentally, the policy is outdated in that it looks back to a time when people believed that road capacity could expand indefinitely. Few outside the Department of Transport believe that this is any longer possible. Further road-building has already been ruled out in London and many other urban areas, and the construction of inter-urban roads is becoming increasingly incompatible with environmental concerns.

● A similar objection applies to the third option: embarking on a vast programme of road-building aimed at meeting all foreseeable demand. Even if the environmental objections were overcome, it would put a colossal burden on the exchequer and could be self-defeating in leading to the generation of still more traffic.

The era is ending in which traffic growth can be accommodated by conventional means. Something will have to restrain it: and road-pricing is coming to be accepted as the least of all evils

If the options for increasing the supply of road capacity are becoming exhausted, it follows that the alternative is to suppress demand. Changes in land use policies – bringing homes closer to shops and jobs – could have important effects over the long term, but it is to a market-led approach that the transport industry, economists, and some politicians are beginning to turn.

Their argument is that road transport is in a mess because the market is not working properly. A socially efficient market is one which distributes resources according to the wishes and needs of the community, and a necessary condition of such a market is that the price of a good is equal to its marginal social cost. This marginal cost must include not only the cost borne by the individual, but also the costs which the individual imposes on society by consuming it.

In road transport, the market is defective because once a vehicle has been bought, taxed and insured, the marginal cost to the individual of using it amounts to little more than the cost of the fuel consumed. To society, the costs in terms of congestion, noise, pollution, and the injuries resulting from accidents are much greater. But because individual motorists are not required to incur these costs, the price they pay to drive is too low, and they drive too much.

To change this, it would be necessary to charge road users the full cost of their road use on a pay-as-you go basis. One very small step towards this objective, shunned by the chancellor in last month's Budget, would have been the incorporation of vehicle excise duty into fuel tax. But ultimately, the process would have to go much further. User charges would have to reflect the costs to the community of pollution, congestion and accidents.

One way of introducing such charges would be to add them to the cost of fuel. This, however, would fail to distinguish between the rural dweller using deserted country roads, a heavy goods vehicle on a motorway, or a commuter driving into a congested urban area.

The more effective method would be a system of electronic road-pricing which clocked up charges according to the type of vehicle used, the competing demands on the road space it consumed, and the amount of environmental damage it inflicted. This would enable greater charges to be imposed on, say, heavy goods vehicles, which cause the highest levels of noise and vibration, or on private cars entering urban areas, where congestion is most severe.

The virtue of such a scheme is that it would put private cars and lorries on a fairer footing with public transport, which tends to inflict lower environmental costs and already operates on a pay-as-you-go basis. The proceeds of road-pricing could then be applied to improving all forms of transport – road as well as rail – in the most economically efficient way.

There are severe impediments to the introduction of road-pricing. Although the necessary technology exists, based on electronic devices in vehicles which respond to other devices at the roadside, it would be expensive to introduce; and enforcement would be impossible unless the system had public support.

An even bigger stumbling block would be political acceptability. Almost by definition, road-pricing would have to be unpopular to succeed. If prices were not so high as to deter people from driving to the places where they most wanted to go, congestion would not be alleviated and the system would fail.

Not surprisingly, therefore, governments throughout the world have preferred to procrastinate rather than to grasp this nettle.

A simple scheme is in operation in Singapore, where drivers have to buy a special permit to enter the city centre; but an experimental system in Hong Kong using electronic technology was abandoned in 1985 because of public opposition, and recent plans to introduce road-pricing in the Netherlands have foundered politically.

Yet, as traffic problems worsen, support for the idea is growing. A working group on transport set up by the European Commission concluded in a recent report that transport was too cheap.

"Everything must be done to ensure that the true price is always charged and paid for transport – everywhere," it said. "If not, demand will develop artificially and destroy any chance of solving the impending traffic crisis."

In Britain, too, there has been a change in attitude. The public transport lobby has hailed as a breakthrough the Transport Department's recent acknowledgement that forecast traffic growth cannot be accommodated purely by building new roads. And transport ministers, who a year ago were expressing outright opposition to the idea of road-pricing, now prefer to say it is an idea whose time has not yet come.

Meanwhile the city of Cambridge, strangled by congestion, is already planning to set up a computerised congestion-control system, charging motorists to use busy streets and applying the cash raised to the construction of a light rail network.

If Cambridge's plans proceed, it will become the first city in Europe to adopt a fully-fledged electronic road-pricing system. It is unlikely, however, to be the last.

The era is ending in which traffic growth can be accommodated by conventional means. Something will have to restrain it: and price is coming to be accepted as the least of all evils.

OBSERVER

Animal appeal

■ London Zoo has been in trouble before, and even more dramatically so than it is today. Indeed, Zoo news – which meant the arrival of a rare creature – once ranked second only to murder as a public-interest draw.

In the 1950s baby polar bear Brumas attracted 3m visitors. National newspapers employed full-time zoo correspondents, supplemented for big events by writers such as Chapman Pincher, later of spy story fame.

The trouble was that even then the Zoo lacked money. It was founded in 1826 first for the Fellows of the Zoological Society, and second for its inmates. The public came last, originally not being let in at all. When Lord Zuckerman became secretary of the Zoo's council in 1953, the fellows still resisted public admissions on Sunday mornings.

Zuckerman's attempts to reform the Zoo against the fellows' wishes went all the way to the Appeal Court. Meanwhile, his search for a chief executive interested top-ranked military staff. Even the unions were co-operative: a senior union leader said of a pay dispute among keepers that he "fully appreciated that labour unrest could not be tolerated in an organisation concerned with the care of animals".

Israel Sieff and Simon Marks, then joint heads of Marks and Spencer, helped to mount the rescue, though it was the property magnate Jack Cotton who put up the bulk of the money – perhaps £3m in today's coinage.

It did not last, alas, and times have changed.

German tank

■ When Walter Seipp became chief executive of Commerzbank 10 years ago it had just become the first of the leading German banks - it is the smallest of the big three - to miss a dividend since the second world war. This year, as he steps down, it will be the only one to raise its payment.

Unusually if not uniquely among German bankers, 65-year-old Seipp has a nickname: Walter the tank, a product of his gravelly-voiced outspokenness and tough business approach.

He has not been afraid to criticise the Bundesbank for raising interest rates, or rival Deutsche Bank for its costly acquisition of Morgan Grenfell, the UK merchant bank, and its decision to put the Soviet Union on its risk list.

Walter the tank will be a tough act to follow. Taking on the job in May is Martin Kohlhaussen, 55, who is very much of an unknown quantity outside the bank.

No less forceful than Seipp in private, the tall, slim Kohlhaussen, a parson's son, has kept a low public profile, apart from the time he defended the banks' third world debt role at a church debate in Frankfurt.

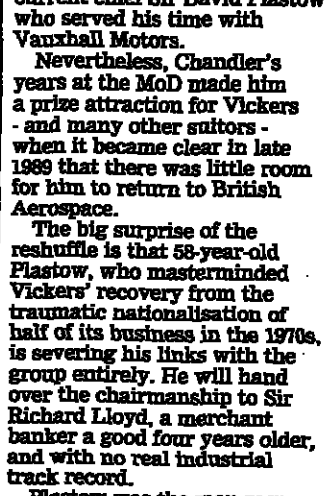
Consolation

■ The authors of the ill-fated Shatalin plan – a 500-day crash course in market economics – have just been given the Soviet Union's first ever prize for economic reform.

In a touching ceremony at the wistfully named Exhibition of National Economic Achievements, the 13 radical economists led by 56-year-old Professor Stanislav Shatalin, Grigory Yavlinsky and Nikolai Petrakov, each received a cordless telephone for their labours on the radical economic reform programme.

"The country cannot live without the 500-Day Plan. I'm sure we'll return to it," said Shatalin. Along with Petrakov, he resigned as an adviser to President Gorbachev after the Soviet leader withdrew his support for radical economic reform last year under pressure from conservatives.

The professor and his colleagues, spanning three generations of economists, are now setting up a club to tackle reform issues. "We will never again be beaten on our own terrain," he vows. The prize was founded by one of the country's new private companies: ASKO.



"Don't you remember? You adopted me in 1986."

Men at arms

■ Vickers, a grand old name of British engineering, is a shadow of its former self. But that may be no bad thing in some ways, since Sir Colin Chandler, the next chief executive, is the nearest thing to Undershaft, Bernard Shaw's idea of a typical Vickers' arms dealer.

To a traditional engineer, Chandler's past as a head of export sales at the ministry of defence, may seem less impressive than the fact that he started work on the shop-floor as an apprentice at de Havilland in 1956. It is a humble beginning he shares with current chief Sir David Plastow who served his time with Vauxhall Motors.

Nevertheless, Chandler's years at the MoD made him a prize attraction for Vickers - and many other suitors - when it became clear in late 1989 that there was little room for him to return to British Aerospace.

The big surprise of the reshuffle is that 58-year-old Plastow, who masterminded Vickers' recovery from the traumatic nationalisation of half of its business in the 1970s, is severing his links with the group entirely. He will hand over the chairmanship to Sir Richard Lloyd, a merchant banker a good four years older, and with no real industrial track record.

Plastow was the man responsible for seeing off Sir Ron Brierley, the antipodean corporate predator, and it will be interesting to see whether his departure triggers fresh takeover interest.

One never knows, British Aerospace may be interested if only to enable Professor Roland Smith's team to upgrade their company cars from Rovers to Rolls Royces.

Same old tune

■ Those who shudder at the thought of hand-clapping and evangelical songs at next week's enthronement of Dr George Carey, as the 103rd Archbishop of Canterbury, may be wondering whether Aldous Huxley has got it right yet again.

In the novelist's 1932 vision of a Brave New World, England's spiritual leader bore the title: Arch-Community-Songster of Canterbury.

For the record

■ Overheard in a City club: "I'm a man who stands by his convictions."

"Really – how many have you had?"

So much to do, so little time

The Treuhand has worked hard to privatise east German industry – but it will need more people and money to finish the job, says **David Goodhart**

If Mr Detlev Rohwedder, the murdered chief of the east German Treuhand privatisation agency, could hear the flood of tributes that will accompany his state funeral in Berlin tomorrow, he would no doubt respond with one of his indulgent smiles.

For many of those who will be honouring his work at the Treuhand were only days ago accusing the organisation of being at the root of east Germany's economic collapse. "The Treuhand has been a synonym for the pain associated with change in the east," says Mr Eckart John von Freyend, head of the Bonn Finance Ministry section which oversees the Treuhand. Others say it has been the scapegoat for Bonn's sluggishness in removing obstacles to privatisation and new investment.

Take a recent case involving the BDI, Germany's main employers body, which is said to have been prevented from buying an office in east Berlin's famous thoroughfare Unter den Linden by disagreement between two Treuhand departments, one responsible for land, the other for property.

Such stories have been routine in the German press. Yet, according to the BDI itself, the deal has been held up because of uncertainties about the ownership of the land and because the building was part of a larger east German concern. It was only this month that Bonn passed a law allowing the Treuhand to pick out parts of companies and sell them separately.

It is worth considering what the Treuhand has achieved in the past year, what mistakes it has made and what direction it might take after Rohwedder.

The Treuhand, formed in February 1990 under the provisional but still communist government of Mr Hans Modrow, has lived with three changes of government and three disruptive changes of structure. This explains some of the overlapping responsibilities, lack of personnel continuity and lack of organisational transparency with which the Treuhand has been charged by frustrated investors.

It began to be westernised, and was was told to focus on privatisation, under east Germany's short-lived democratic government led by Mr Lothar de Maizière. Mr Rohwedder took over as part-time chairman at the time of economic union in July but soon fell out with the first chief executive, Mr Reiner Gohlke, and decided to take the full-time chief executive's job himself in August.

It was then assumed (and still is) that one-third of east Germany's 8,000 larger companies could be privatised relatively quickly, one-third only after considerable restructuring and one-third could not survive at all. Yet through most of last year neither Mr Rohwedder nor Bonn seemed to be paying enough attention to the bottom two-thirds.

Mr Rohwedder stressed the Treuhand's free-market rigour and his determination to prevent the creation of pan-German monopolies. But for reasons largely beyond the Treuhand's control, privatisation got off to slow start, even after full unification in October. So the luxury of a competitive market structure had sometimes to take second place – in electricity supply, banking and retailing, for example.

Mr Rohwedder did, however, prove his commitment to competition by insisting that Lufthansa could not take over Interflug, the east German airline. When nobody else wanted Interflug it collapsed, earning the Treuhand its reputation as a ruthless "job-killer".

The Treuhand's own rhetoric did little to challenge this view but in practice it was spending billions of D-Marks guaranteeing bank credits to uncompetitive companies. Between July and October it gave short-term loan guarantees totalling DM28bn (£9.4bn) almost to any company that wanted them. To date it has ordered 400 companies to be closed.

At least by the end of last year it had established a proper structure and attracted several dozen top west German businessmen to fill the senior positions. The number of staff rose to 1,000 from only 400 in August. These are spread over eight departments in the Berlin centre and 15 beefed-up regional offices responsible for all companies with less than 1,500 workers.

Five of the Berlin departments have responsibility for a group of industries plus a more general function – for example Department One, headed by Mr Karl Schirner, a former Daimler executive, controls the larger heavy industrial and service companies, and has overall responsibility for privatisation.

About half of the Treuhand's staff are west Germans but the organisation has had trouble attracting well qualified staff, especially for the middle-ranking jobs. Many of the bitterest complaints against the Treuhand have concerned the so-called "brotherhoods" of former communist functionaries who are said to have established themselves in the regional offices.

Since the end of last year those offices have all had west German heads and six of the eight Berlin departments are headed by westerners with impressive backgrounds at McKinsey, the business consultants, and Grundig, the electronics group, among others.

But considering the size and variety of its tasks (it has also been responsible for tens of thousands of state-owned service companies and cultural organisations, and for distributing public property between the different levels of public authority) the Treuhand has been understaffed, especially in the regions. Mr Rohwedder's fear that he might end up running a giant state holding company caused him to make too much of a virtue of Finance Ministry limits on finance and staffing.

Something had to give. It turned out to be the task of managing, and investing in, the middle-ranking companies that could not quickly be privatised. The Treuhand has managed to find 40,000 west German businessmen to sit on the newly established supervisory boards of the 8,000 companies, but new executive management has only trickled east; indeed, about 80 per cent of east German bosses predate the revolution.

According to Mr Jürgen Poeche, a BDI official posted with the Treuhand, it has also taken too long to gather corporate information. Nearly half the companies have now published balance sheets but the final publication deadline was postponed from October 1990 to the end of June 1991, a full year after economic union.

Mr John von Freyend of the Finance Ministry asks for patience and lists some recent progress:

- One thousand larger companies have been sold, 500 in the first two months of 1991, plus 20,000 service outlets;
- Treuhand offices now have computerised information about the companies that remain and a sales brochure (soon in English) with a few paragraphs on each company;
- Three hundred out of 1,000 plots of prime development land, singled out for speedy sale, have already gone;
- A special team of 100 consultants is sifting through the few hundred corporate survival plans already presented.

Mr Rohwedder made it a condition of staying on in the job last November that the Treuhand should enjoy a high degree of independence. But he probably overestimated the extent to which a clear distinction could be made between the Treuhand's market role and the state's regional support role. He realised this himself after the outrage that greeted the sudden closure of the Wartburg car factory and in March accepted closer co-operation with the five east German states.

The Treuhand will become "more political", accepts Mr John von Freyend, probably (barring a surprise decision from Chancellor Helmut Kohl) under the leadership of Mr Rohwedder's deputy, Mrs Birgit Breuel, a former politician.

But the shift in emphasis will have substance, too. Officials say that if the Wartburg decision could be taken again the closure would be more gradual and there now seems universal agreement that the four industries with especially high regional concentration – chemicals, textiles, ship-building and micro-electronics – cannot be left to collapse.

This will require a takeover of old corporate debt and cash for new investment, together estimated at DM400bn over the next decade, and an expansion of Treuhand staff to more than 3,000. It will also, according to a Treuhand official, require the creation of a new type of manager – the company doctor – that scarcely exists in Germany. For, as Mr Rohwedder warned at his last news conference, handing the cash to east Germany's current managers could be equivalent to flushing it down the drain.

TREUHAND: Balance sheet to date

Birgit Breuel

PRIVATISATION	
Number of large companies	8,000
Already privatised	*100*
Number of smaller service outlets (bars, shops)	40,000
Already privatised	*20,000*
STAFFING	
August 1990	400
December 1990	1,000
April 1991	2,000
FINANCES 1991 (current estimate)	
Expenditure	DM 37bn
Servicing east German corporate debt	*DM 12bn*
Restructuring	*DM 14bn*
Income from privatisation	DM 9bn
Credit requirement	DM 23bn

Joe Rogaly

The law of the jungle

If London is to have a zoo it should be financed by admission fees, or private and corporate donations, or, as a last resort, the citizens of London. The latter may be difficult to arrange, as there is no London-wide elected authority that could do the job. Tough. The demand for a central government grant of £13m should be turned down. There is no case for taxing the Scots, or the people of Belfast or Birmingham or anywhere else in order to rescue the Zoological Society of London. It should find its own salvation.

The zoo could reply, with justice, that it is managed by a venerable institution. The society was founded in 1826; the collection of animals was opened two years later. That probably makes it the oldest extant zoo, but not the world's first, which may be the House of Deer that served the pleasure of the Chinese empress Tanki in 1150 BC, give or take a century or so. The London society undoubtedly commands immense prestige in the zoo world, for which reason its scientific and conservationist work ought to be supported. This it is, by the Department of Education, which channels £1.5m a year to the society's Institute of Zoology. Maybe it should be more.

Also in the zoo's favour is the fact that it studies, preserves and breeds endangered species. What about the pertula snail? What about the okapi? These do not have to be preserved on a 35-acre site at Regents Park in the centre of London; many or most of them could surely be moved to the society's far more spacious Whipsnade Wild Animal Park, with its 600 acres. The chap at Whipsnade says no, there are not the facilities. He has 3,000 animals; London has 8,000. Heaven preserve me from cynicism, but is it not instructive that the Zoological Society is losing a fortune at Regents Park, while it is close to breaking even at Whipsnade? The truth seems to be that all but 80 or so of the large animals – say from antelopes upwards – have been moved to Whipsnade anyway, in anticipation of a fresh deal whereby Regent's Park becomes a representational zoo, a city front for the country acres.

Well, it may be said, you don't want our zoos to become theme parks or amusement palaces like, say, Chessington? Answer: certainly not – either in spite of or because of the fact that Chessington is the property of Pearson, owner of this newspaper. That flashy establishment is in the entertainment industry; the Zoological Society of London is in a more venerable sphere.

The evidence from other countries is mixed. Tokyo's Ueno zoo is owned by the city council; about half its costs are covered by admission fees. Amsterdam's Artis zoo gets a grant from the city equalling about a quarter of its expenditure. Sydney also manages and subsidises its zoos. So do New York, East and West Berlin and Frankfurt. The St Louis Zoo, in Missouri, gets the yield of a tax of 4 cents on every $100 worth of property in the city. The National Zoological Park in Washington DC relies solely on federal funds. My colleague Tim Burt is to be thanked for helping to collect this information.

There is no case for taxing the people of Belfast or anywhere else in order to rescue the Zoological Society of London

London says that most of the world's cities subsidise their zoos. Yes and no. Commercial and semi-commercial zoos apart, there is Philadelphia, whose Zoological Society is modelled on London's, and whose zoo, founded in 1874, claims to be the oldest in the US. It is on a 46-acre city site, with 1,700 animals against Regent Park's 8,000. Apart from free water, it takes not a cent from city, state or federal authorities. It finances itself at the gate, and through an active fund-raising department. It is breeding endangered gorillas, and it has a decent research undertaking.

To its credit, London has tried that route. Its well-liked Moonlight World exhibit, full of bats and other nocturnal beasts, is in the Charles Clore Pavilion. Sir Michael Sobell housed the great apes, a Mappin the terraces built in 1913 for bears and goats and called after the contributing family's name. Under pressure from the government it set up Zoo Operations Ltd., whose profits are covenanted to the Zoological Society, and negotiated a licence to collect car park fees.

All that is on the upside. But this is a quality outfit, and quality has its downside. Over the years, Regents Park has used architects of distinction: Lubetkin and Tecton for the penguin pool; Sir Hugh Casson for this and Sir Peter Shepheard for that. One result is that of its 65 structures 13 are now listed buildings, sitting on a royal park under a charter that says the Zoological Society alone shall have use of the said acres. That puts the Department of the Environment on the spot. If the acres are vacated, down to the last aardvark, it may be stymied. Royal charters are awkward to undo. Perhaps the Zoological Society is banking on this threat as a means of shaking further millions out of the government, following the last "final" payment of £10m in 1988. Really, it should look elsewhere.

It is a pity about the absence of a central London authority. The Conservatives keep establishing and abolishing them, usually because Londoners will insist on electing Labour councillors. I would not like to see the return of the preposterous Greater London Council, but a small strategic authority, headed by a proper mayor, should be able to channel tax money raised locally into great institutions in the capital.

Such an authority, or a statutory tourist board, should also be the source of subsidies, if subsidies there must be, for institutions like Regents Park. The London Zoo has half the box-office appeal it managed in 1950, when it attracted a record 3.03m attendances, but it remains a magnet. It gets fewer schoolchildren than in its best years, because the teachers find it easier to show them a video and the Education Department declines to finance out-visits. Perhaps it does need help, from the right sources. But the government is already subsidising a home for aged and befurred creatures in the House of Lords; that is quite enough.

LETTERS

Clearing banks courting crisis

From Mr J.W. Seabright.

Sir, Are the clearing banks frustrating the good intentions of the government and encouraging the very corporate disasters they want to avoid?

I own a small business and over the years I have borrowed money occasionally. The last occasion was three years ago when I was quoted an interest rate of 3 per cent over base rate (the highest I have ever been charged).

Recently I approached my high street bank and was told that their loans are now "de-linked" from base rate; the best they could offer me for a secured loan of £20,000 for one year was at a rate of 1.5 per cent per month (annual percentage rate 19.5 per cent) plus a 1.5 per cent arrangement fee. This equates to 8.5 per cent over the present base rate.

My bank manager was apologetic but said he had no discretion to go lower for businesses with a turnover of less than £1m. Fortunately I have an alternative source of finance, but many small businesses do not. The interest rate reductions seem not to apply to this clearing bank; do other readers have similar experiences?

J W Seabright,
chairman, Teamband,
"Wanwood", Park Corner,
Nettlebed,
Oxon

Poor deprived of a good read

From Mr John Gillard Watson.

Sir, Jackie Wullschlager's condemnation ("Twilight of the enchanters", March 30/31) of the poor stuff listed by the Department of Education for seven-year-old readers appears to be justified by the selections and exclusions I have seen.

But there is a further point: only in school do the children of less-well-educated working-class parents have any opportunity to read books worth reading. They are now to be deprived of that opportunity, but the children of the educated upper-class parents will still read good children's books. As ever, it is the poor and uneducated who suffer by the dogmas of the educationalists. Gradgrind and M'Choakumchild live on ...

John Gillard Watson,
11 Beaumont Buildings, Oxford

Capitalism not the cause of Third World woes

From Lord Bauer FBA.

Sir, The article "The challenge to capitalism" by the Bishop of Oxford, the Rt Rev Richard Harries (March 30/31) calls for comment. The prelate attributes misery in less developed countries (LDCs), notably Brazil, largely to external factors, especially the burden of debt service, which he says for some countries amounts up to 40 per cent of their annual income.

This is fantasy. In 1986 debt service as proportion of the national income of the 17 countries listed as problem debtors by the World Bank was less than 5 per cent of the national income; for Brazil it was about 3 per cent. This could not have affected living standards appreciably. Most of these problem debtors are middle-income countries with recorded (and much understated) per capita incomes of well over $1,000.

The article tends to suggest that western capitalism has somehow caused the poverty and misery in LDCs. Yet in Asia, Africa and Latin America, the most prosperous are those areas and societies with the most commercial contacts with the west, and the poorest and most backward those with the fewest contacts.

The bishop's article, like so many similar writings, is calculated to promote feelings of guilt. Unlike the compassionate, guilt-ridden people are preoccupied with their own emotional state rather than with the results of conduct and policies inspired by this sentiment.

The notion that the incomes of the well-off have been extracted from others is the most insidious of all economic misconceptions. It has served the purposes of despots from medieval rulers to Lenin and Hitler. It spuriously justifies restrictions on economic contacts between the west and LDCs – restrictions which are particularly damaging to the economic prospects of the poor.

Within LDCs such ideas also facilitate brutal, barbarous policies towards productive but politically vulnerable groups, especially ethnic minorities, whose maltreatment not only causes acute suffering to those directly affected but also retards emergence from poverty in the country at large.

Pascal wrote in the 17th century: "Travaillons donc à penser bien, voilà le principe de la morale." Let us labour at thinking clearly: herein lies the source of moral conduct.

Peter Bauer,
House of Lords,
Westminster, W1

Unofficial networks not central force of learning organisations

From Mr Andrew Campbell.

Sir, Christopher Lorenz's article on networking ("The real meaning of the networked organisation", April 3) clears up one management confusion – the difference between official and unofficial networks – but reinforces another.

Mr Lorenz concludes that unofficial networks are the really valuable networks. They, rather than the official kind, "really help create the open and flexible 'learning organisations', which most forward-thinking companies aspire to become".

Why does Mr Lorenz link learning organisations with unofficial networks? What is the link between learning organisations and the values of openness and flexibility?

One of the most effective routes to take in the process of learning culture is to follow the quality principles and methods of W Edwards Deming.

He does not describe his methods as depending on unofficial networks. Moreover the values that are associated with openness and flexibility are of lower priority to Deming than those of discipline and measurement.

Few would disagree with the proposition that unofficial networks are a useful adjunct or oil to the process of creating synergy or a learning organisation. But, as our research has demonstrated, they are not the driving engine.

Andrew Campbell,
director,
Ashridge Strategic Management Centre,
17, Portland Place,
London, W1

Surpluses are no answer to pensions pains

From Mr A A Jenkinson.

Sir, Like Mr Charles Evers, I heartily welcomed your leading article, "Sex and the over 60s", (March 28), but how I wish Mr Evers had qualified the last sentence of his letter (Letters, April 3) which touched on a point you mentioned without elaboration.

The awfulness of the situation is that, to the extent that there is retrospection in the Barber judgment, the problem of past service liabilities (and so a capital cost within the terms of SSAP 24) is present. If one tries to terminate a final-salary scheme, or switch to some other kind of scheme, not only do such capital costs remain, but the uncertainties of the Barber judgment immediately surface.

This becomes clear when one considers the entitlements of individual members in the existing fund – unless, of course, someone chooses to crash through a change without regard to the Barber judgment and hopes that no one will raise any objection.

Further, I find there are far too many observers who see the presence of substantial surpluses as the panacea to solve the problems. As you say, there are thousands of smaller schemes which do not enjoy such surpluses. Indeed, as the passing of the Finance Act 1986 recedes into history, and as dividend growth slows down, the proportion of schemes with no substantial surplus is rising.

For such schemes, one of the points in favour of going to a common pension age of 65 is that it will help to finance taking on board the pension increase provisions of the Social Security Act 1990. Such is the irony of compulsory improvements in pension provision.

A A Jenkinson,
director,
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Fax service

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FINANCIAL TIMES
Tuesday April 9 1991

Soviet 'dilers' reform economy from below

By Leyla Boulton in Moscow

WHILE the Soviet government flounders in its attempts to reform the economy, the country's new entrepreneurs are ushering in a market system from below.

So-called commodity exchanges which trade everything from cars to computers and metal to timber, have mushroomed from Siberia to the Baltics as the centrally planned distribution system has collapsed.

An estimated 180 exchanges – which have little to do with their western counterparts – match supply and demand.

In Moscow's former Central Post Office, a remaining bust of Lenin presides over a trading session at the Russian Commodities and Raw Materials Exchange. An electronic panel on the wall displays a succession of consignments for sale, priced in roubles.

Brokers, often referred to as "dilers", huddle around a wooden counter, trading by open outcry for lots which range from 1,000 tonnes of cement to a batch of 200 West German refrigerators.

The exchange now has 800 brokers who automatically obtained places when they became shareholders. Brokers and the exchange earn commissions from each transaction. Foreigners are allowed to buy shares, but direct trading for foreign currency is banned by Soviet law.

Mr Konstantin Borovoy, 43, the mathematician who is the exchange's chief executive officer, points to a group of visitors from state-owned defence plants in Kaliningrad. "People come here with all kinds of suspicions but within half an hour they can see that our activities are not only honest but profitable."

He says the latest batch of visitors, from the traditionally conservative military-industrial complex, want help to organise an exchange for defence materials and equipment, a sign of the widespread breakdown of traditional economic links. It is precisely these links which the Kremlin is now trying to reimpose from above in the name of restoring "order" to the economy.

The new exchanges have attracted shareholders from all strata of society. The Russian exchange's shareholders include not only much-maligned co-operatives and new millionaires, but also state-owned enterprises.

The volume of trade via the exchange system is still a fraction of that handled by the state system, but it is increasingly encroaching on the moribund official network.

Recently, five republics announced they were setting up an inter-republican commodity exchange to trade in goods left over after enterprises satisfied state orders.

The development of the exchanges has been so rapid that legislators are only just catching up with them. The Russian government last month adopted temporary legislation on exchanges and announced it would set up a licensing system. And although speculation is still officially a crime, Soviet authorities have done nothing to stop the boom.

Meanwhile, the exchanges are turning their sights to the future and abroad. Mr Borovoy leaves for London today for consultations with British commodities exchanges which want to help in developing western-style futures contracts.

There is also a trend towards greater domestic co-operation. Mr Borovoy says, for example, that he is going to unite his exchange with the Moscow Central Exchange, which handles a primary market for securities.

Before the 1917 revolution, Moscow combined its commodity and stock exchanges under a single roof and the idea is to return to that system.

The obstacles to a market economy remain phenomenal. But while doom prevails over the nation's economic ills and the government's failure to embrace radical reform, the exchanges represent a grassroots movement which could make the transition to a market economy happen sooner rather than later.

IF you're tired of "mitingy" in the new Soviet Union and you want to get down to "biznez", you can now become a "broker", a "diler", or even a "menedger", writes Leyla Boulton.

The first steps to a market economy after seven decades of socialism have been accompanied by an invasion of foreign words. While the "miting" (literally rally) concept existed even in the old days – when organised crowds came out on to the streets to express support for the Communist Party – President Mikhail Gorbachev's perestroika has spawned the unfortunate tendency to "mitingovat'" (going to anti-government rallies instead of working).

As radicals agitate for western-style economic reforms, the country's new "biznezmeny" (businessmen) are bringing in a market economy through the back door. Embryonic commodity and stock exchanges have re-introduced a pre-revolutionary vocabulary mainly inspired by the French – birzh (bourse), kotirovka (quotation), aksiya (share) and aksionernoye (joint stock) company.

But the process has also ushered in a whole wave of English words, with "broker" replacing the German word "makler" used at pre-revolutionary exchanges. While "optsiony" (options) and "futursy" (futures) in the western sense have not quite taken off, simple mechanisms for "hedzhirovanie" (hedging) are already available to those who want to protect themselves against future "rizk" (risk).

Language enthusiasts will be delighted to hear that there is room for more innovation as the market develops. Insider trading, for instance, has no Russian equivalent. For lack of any suggestions, this may well become known as "insaider treding".

Europeans wary of US fund for enterprise

By Stephen Fidler in Nagoya

EUROPEAN governments expressed reservations yesterday about a US plan which calls on them to provide finance for a new \$1.5bn fund to help the private sector in Latin America.

The fund was proposed as part of the Enterprise for Americas initiative, launched last year by President George Bush.

It envisaged \$500m each provided over five years by the US, Japan and Europe for the Multilateral Investment Fund. This would provide grants to support private sector development in the region and be run by the Inter-American Development Bank.

Japan has indicated its support in principle for the proposal, without specifying the amount it will commit, provided the US Congress approves.

However, some European countries, including France and Britain, are cool to the idea.

Mr Denis Samuel-Lajeunesse, France's representative at the IADB annual meeting in Nagoya, said yesterday that France was aware of the importance of helping to develop the private sector. However, it did not consider desirable a multiplication "at will of the entitities charged with providing this type of finance".

Mr John Faint of the UK Overseas Development Administration told the meeting that Britain also had reservations about the fund. "Public sector intervention in the private sector needs to be used sparingly and with care," he said.

He questioned whether the IADB was well placed to run the fund and to provide assistance, for example, on reforming the investment climate and advising on privatisation.

Japan's LDP leader quits after poll defeat

By Stefan Wagstyl in Tokyo

JAPAN'S ruling Liberal Democratic party was dealt a blow yesterday when its secretary-general resigned after the crushing defeat of an election candidate he backed to unseat the governor of Tokyo.

The resignation of Mr Ichiro Ozawa came hours after the results were declared of local elections held on Sunday.

Mr Ozawa, said he was resigning to take responsibility for the result and for causing "confusion in the party".

The winner of the Tokyo governership, one of the country's most powerful political posts, was the 80-year-old incumbent, Mr Shunichi Suzuki, who defeated the attempt by Mr Ozawa and other national party officials to remove him.

Mr Ozawa's candidate, Mr Hisanori Isomura, a television presenter, trailed second, with 1.4m votes against 2.3m for Mr Suzuki.

While Mr Suzuki had been expected to win, the margin of victory came as a shock for Mr Ozawa and the LDP headquarters. Other party leaders are expected to try to fill the vacuum left by Mr Ozawa, among them Mr Keizo Obuchi, who yesterday replaced Mr Ozawa as secretary general.

The speed of Mr Obuchi's appointment indicates that senior party officials will continue to support the government of Mr Toshiki Kaifu, the prime minister.

Despite the defeat of its candidate in Tokyo, the LDP made overall gains in 12 other gubernatorial elections and 44 prefectural assembly polls.

In the assembly elections, the LDP's support increased from 44.7 per cent in the previous poll in 1987 to 46.6 per cent. Support for the Social Democratic party, the main opposition party which recently changed its name from the Japan Socialist party, fell to its lowest level in prefectural assembly polls since 1955. In the Tokyo gubernatorial election, the party lost its deposit. Mr Tsuruo Yamaguchi, the socialists' secretary-general, is expected to resign.

Analysis, page 4; Editorial Comment, page 22

Ichiro Ozawa yesterday

Hachette freezes shares linked with Iraq

By George Graham in Paris

HACHETTE, the French publishing and broadcasting group, yesterday froze a FFr380m (\$68m) block of its shares owned by a company with Iraqi links.

The move was an attempt to "cut short certain excessive, unjust, unproven and often unfounded commentaries which might mislead public opinion and hurt our international image", the company said.

The group added that it had discovered nothing precise about the ultimate shareholders of Montana Management, the Panamanian investment company which owns the 8.4 per cent stake.

However, it had gathered enough information to justify freezing the shares under the terms of the United Nations embargo.

Detectives working for the government of Kuwait claimed two weeks ago that Montana had been set up by Mr Barzan al-Tikriti, President Saddam Hussein's half-brother and now Iraq's ambassador to the United Nations in Geneva, in order to channel secret Iraqi funds abroad.

Hachette said it had since then carried out an investigation into Montana in close co-operation with the French and US Treasuries, but that Mr Jules Boccard, Montana's legal representative in Switzerland, had stuck with the same statement he had made in 1989, when the stake was first declared: that Montana was a holding company grouping several non-European investors coming from different countries in the Gulf.

Montana was not included by the US Treasury in the list it published last week of companies serving as fronts for Iraq.

According to Le Point, the French weekly news magazine, this was because French and US officials believe that Montana's owners may not only be Iraqis but also Saudis and possibly Kuwaitis – as Mr Boccard implied.

The Panamanian government, however, announced a week ago that Montana, which has been registered in the country since 1984, was managed by three Iraqis resident in Baghdad: Mr Ali Alabbulah, Mr Mauwafak Abdul Karim and Mr Alladin Alwan.

Hachette, controlled by Mr Jean-Luc Lagardère, said it was "astonished, not to say stupefied" at being virtually the only company named by the Kroll detective agency of New York as a repository for Iraqi investments, when the agency claimed to have identified billions of dollars of funds salted away by Iraq.

Kroll is carrying out investigations for the Kuwaiti government into Iraq's hidden funds.

The freeze means that Hachette will impede any dealing in the shares held by Montana and will not pay out dividends.

The company said it was undertaking to buy in the frozen shares as soon as a procedure allowing this had been established.

Delay for Eurotunnel

Continued from Page 1

More than 95 per cent of three tunnels which will connect Britain and France had now been bored and lined. The two remaining rail tunnels were due to be completed in May and June – six months ahead of the revised schedule.

Almost three-quarters of the French rail terminal has been completed at Sangatte near Calais in northern France. Almost 70 per cent of the British terminal at Cheriton near Folkestone in Kent had also been completed, said Eurotunnel.

Since construction started at the end of 1988 the group has spent a total £3.4bn. The forecast cost of the project since 1987, however, has risen from £4.8bn to £7.6bn.

Baker calls for international effort

Continued from Page 1

border. We have suffered torrential rains, bad weather. Our children are suffering from hunger and starvation. You must do something to help us."

UN agencies with the World Food Programme and the Turkish Red Crescent are currently making a fact-finding tour of the region to assess the refugees' needs.

"There is a lot of hand wringing and finger pointing about who is to blame. We have our last chance. If we blow this, thousands will die," said Mr Lionel Rosenblatt, a US expert on the problems of refugees.

There was still no UN presence yesterday in the camps on the border with Turkey. The first convoy of 12 UN trucks carrying tents and blankets for 1,000 refugees arrived on Sunday and US aircraft, supported by warplanes, made drops close to the border. The US and British aircraft are set to make further drops. Aid officials concede they were caught unprepared by the massive flow of refugees. The UN last week approved \$3.5m for the refugees affected by the Gulf crisis which will help an estimated 100,000 people in Turkey.

Turkish officials are warning local people not to give refuge to people from the camps. In spite of earlier plans for setting up two camps inside Turkey, Ankara's policy is now to confine the refugees near the border. Çukurca is, in fact, inside Iraq.

The UN trucks, which took four days to drive from Ankara, represent the only help to have reached these people. UN and local officials were yesterday still discussing how to distribute the aid. So far, all assistance is being organised by thousands of local Turkish Kurds.

One UN relief worker said there was a "log jam to get supplies into the region." Çukurca is a seven-hour drive from Van, the nearest airport. The Turkish national carrier is still on strike. The narrow single track roads are also subject to flooding as the snows melt.

Mr Adrien Cros, logistics expert with the UN high commissioner for refugees, said the UN was considering moving stockpiles from Syria across the border at Nusaybin, which is still a day's drive from Çukurca. "We're down to a matter of days," said Mr Rosenblatt who heads the Washington-based Refugees International. "We have to have a UN presence and we need some some combination of agencies."

More voters for Kuwait

Continued from Page 1

because the government did not expect the bulk of those Kuwaitis who fled the Iraqi invasion to have returned before December. He said that electoral law then obliged the government to compile electoral lists in February – a process which, he said, would take at least two months.

Although this would technically permit a poll in April or May 1992, Dr al Awadi said that because most Kuwaitis tended to take long holidays during the hot summer, "we are looking at some time like September". The minister said that political parties would not be permitted to contest the poll because there was no legislation to allow the formation of parties.

WORLDWIDE WEATHER

		°C	°F
Ajaccio	S	17	63
Algiers	S	20	68
Amsterdam	F	11	52
Athens	C	17	63
Bahrain	F	24	75
Bangkok	F	35	95
Barcelona	S	16	61
Beirut	–	–	–
Belfast	F	11	52
Belgrade	F	17	63
Berlin	C	11	52
Biarritz	F	15	59
Bombay	S	33	91
Bordeaux	F	14	57
Boulogne	C	11	52
Brussels	F	11	52
Budapest	F	15	59
Buenos Aires	C	22	72
Cairo	F	23	73
Cape Town	S	29	84
Caracas	C	28	82
Casablanca	–	–	–
Chicago	F	18	64
Cologne	C	12	54
Copenhagen	F	10	50
Corfu	S	15	59
Dallas	C	19	66
Dublin	R	10	50
Dubrovnik	F	20	68
Edinburgh	F	10	50
Faro	S	21	70
Florence	S	22	72
Frankfurt	F	13	55
Geneva	S	14	57
Gibraltar	S	19	66
Glasgow	F	8	46
Helsinki	F	10	50
Hong Kong	R	19	66
Innsbruck	F	14	57
Inverness	F	8	46
Islamabad	R	15	59
Istanbul	C	9	48
Jakarta	R	32	90
Jersey	C	13	55
Johannesburg	S	18	64
Lima	F	26	79
Lisbon	S	20	68
London	F	15	59
Los Angeles	F	13	55
Luxembourg	R	9	48
Madeira	S	17	63
Madrid	S	18	64
Majorca	S	19	66
Malaga	S	20	68
Malta	F	18	64
Manchester	F	11	52
Manila	F	33	91
Melbourne	S	23	73
Mexico City	C	M	M
Miami	F	24	75
Milan	S	16	61
Montreal	F	5	41
Moscow	C	7	45
Munich	C	8	46
Nairobi	–	–	–
Naples	F	17	63
Nassau	C	29	84
New Delhi	F	28	82
New York	S	21	70
Nice	S	16	61
Nicosia	F	17	63
Oporto	S	22	72
Oslo	F	7	45
Paris	C	13	55
Peking	S	19	66
Prague	F	8	46
Reykjavik	S	1	34
Rhodes	C	15	59
Rio de Janeiro	C	31	87
Rome	S	18	64
Salzburg	R	11	52
San Francisco	S	9	48
Seoul	S	22	72
Singapore	F	32	90
Stockholm	F	11	52
Strasbourg	C	11	52
Sydney	C	20	68
Taipei	C	25	77
Tangier	F	20	68
Tel Aviv	F	20	68
Tenerife	S	20	68
Tokyo	R	13	55
Toronto	T	18	64
Tunis	F	19	66
Valencia	S	18	64
Venice	S	17	63
Vienna	F	10	50
Warsaw	F	12	54
Washington	S	17	63
Zurich	C	13	55

Temperatures at midday yesterday C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

THE LEX COLUMN

The London train will be delayed

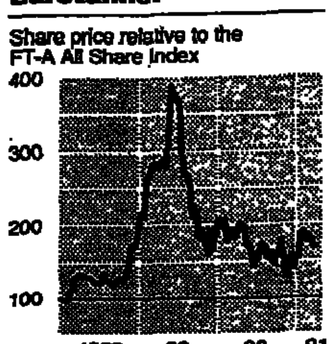
Eurotunnel has a genius for upsetting even its supporters. Now that the tunnelling is apparently sorted out, the new problem is the trains. The delay means the summer tourist season in the opening year of 1993 could be missed altogether, with the full train system running just in time for Christmas. How much of a service will be available before then is anyone's guess. Tourist traffic on the delayed shuttles in the first six months is projected at around £140m. If £100m of that goes missing, the paper loss on the period doubles to £206m. Funding the lost turnover could add a further £10m to the long-term project total, pushing the profitability of the venture back another year to 1998.

This reckons without the project contingency fund. But those investors who still believed in Eurotunnel's capacity to pay a dividend that year might now be admitting a little scepticism. On the company's own assumptions at the time of the rights issue, a six month delay in total rail traffic would postpone a dividend until at least the turn of the century.

It gets worse. Unless there is a sudden burst of co-operation from the intergovernmental safety commission on the design of the freight shuttle trains, a further chunk of revenue could be held up. Throw in a confirmed delay to the French high-speed line and it may be that the operational phase will prove more difficult than the tunnelling, in which case the newly formed executive board will have its work cut out. The shares have been curiously quiet of late, but the risks appear to be on the downside.

Eurotunnel

Share price relative to the FT-A All Share Index



Source: Datastream

Currencies

Despite the Bundesbank's refusal to raise interest rates last week, the continued weakness of the D-Mark may leave it no choice. Yesterday the D-Mark sank below the midpoint of the ERM, leaving it little more than 2 per cent above the level where intervention would be called for. The sight of sterling only a touch below DM 3.00 produced a fresh burst of optimism about base rate cuts in the UK money markets. Three-month money is now virtually at 12 per cent, while the June future is discounting very nearly a point lower.

There seems no reason for the UK authorities to oblige immediately, at least before the March inflation figure on Friday. Nor is there reason to hope for more than the customary half point cut, given the likelihood of a rise in German rates. The trouble is not only the D-Mark's weakness within the ERM but the renewed strength of the dollar. Perversely, the expected cut in US interest rates could send the dollar higher again on the assumption that the US interest rate cycle had bottomed at last. All this, it should be recalled, makes for further monetary laxity in a German economy which has just seen annual growth in money supply of 20 per cent.

ADT

Yesterday's 21 per cent jump in ADT's share price, on the basis of a weekend's inconclusive haggling between the chairman and his chief shareholder, leaves investors none the wiser as to ADT's real value. As always, the market is torn between the belief that there are sound businesses within the group and the knowledge that Mr Ashcroft is in charge of them. A rough value can perhaps be derived on the basis of some heroic assumptions. The results are not encouraging.

Suppose that ADT were stripped down to its operating subsidiaries and then run as a normal company. This would involve selling off the investments at market value and paying down the debt, including the convertible. The result would be net debt of substantially over \$500m. Take last year's operating income of \$197m, knock off interest at 10 per cent and apply a normal tax charge. The result is 1990 earnings per share before extraordinaries of around 8.5 cents, or 40 per cent of the published figure. Apply a UK market multiple and the resulting share price is 62p, against yesterday's close of 85p.

The flaws in this method are obvious. The stated profits from car auctions and security might turn out lower on the application of more conservative accounting policies. It is not obvious that ADT would deserve a market multiple, since Mr Ashcroft's habit of secrecy seems to justify a risk premium. The future leadership and direction of the group are matters for pure conjecture. Those who bid the shares up yesterday in heavy volume are are to be commended more on their gambling nerve than on their judgment.

MB-Caradon

The fact that MB-Caradon managed to increase profits and margins in building products last year is evidence of the strength of the Caradon management which elbowed its way to the top of the merged company. Having said that, the current configuration of MB-Caradon looks ever more curious. In particular, the 25 per cent stake in CMB Packaging makes less sense than ever.

It is much more logical for MB-Caradon to talk of a sizeable European acquisition in building products. With gearing at its present level, some £300m from the CMB stake would come in handy. Given the recent poor profits performance of CMB, this would not be the best time to sell. But at least the interest saved would more than offset the loss of CMB's profit contribution last year. A sale would also doubtless help MB-Caradon's share price, which last year was held back by CMB's performance rather than by the managed businesses.

Failing that, the recent revival in the MB-Caradon share price suggests that a rights issue would be an acceptable alternative. Another solution might be the sale of the US cheque printing business, now nicely packaged as the number three in its industry. Meanwhile, a prospective p/e for the group of 13 on a forecast of £110m pre-tax in 1991 and the chances of a geared recovery in profits as interest rates fall is enough to be going on with.

Rolls-Royce

Further backsliding on the wage front: last year Rolls-Royce's earnings per share fell 12 per cent, making for a reduction of a quarter in real terms since 1986. The chairman's salary went up by 51 per cent, the highest paid director's by 27 per cent.

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COMPANIES & MARKETS
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INSIDE

Westpac warns of cut in interim dividend

Westpac, the Australian bank, has warned investors it will cut its interim dividend and that its earnings in the six months to March 31 will fall short of expectations. The deepening recession in Australia and depressed property markets in Britain resulted in a provision against property loans, particularly those held by its wholly-owned subsidiaries, AGC, and Bill Acceptance Corporation. Page 28

Plastow to retire from Vickers

Sir David Plastow, chairman and chief executive of Vickers, the British tanks, cars and medical equipment group, will retire at the end of May 1992. He will be succeeded as chief executive by Sir Colin Chandler (left), managing director, while the new chairman will be Sir Richard Lloyd, currently the non-executive deputy chairman. Sir David will be chiefly remembered for his role in masterminding the merger of Vickers with Rolls-Royce Motor Cars in 1980. Page 33

SEC probes conflicts of interest

An alleged breach of US securities law by Morgan Stanley in 1987 has provoked accusations of schizophrenia at the Securities and Exchange Commission and has raised an important question about conflicts of interest between firms and their clients. Patrick Harverson in New York looks at how, during times of market crisis, brokerage houses reconcile their own interests with those of wealthy clients who have borrowed from the firm using stock as collateral. Page 30

Tough action for Rand Mines

RAND MINES

Bad luck and poor management have dampened enthusiasm at Rand Mines, the South African mining group. Just a year before its centenary celebrations, the group is faced with the indignity of a large-scale restructuring – the sort of firm managerial action that critics have long been demanding. Philip Gawith looks at the rationalisation which many view as a watershed in the group's fortunes. Page 27

Hot tempers and a spice cartel

The nutmeg cartel, which controlled the world market for the spice for the past five years, has collapsed amid charges that the break-up had been engineered by US importers. The cartel, formed by Indonesia and Grenada, has been shaky for the past two years, following Grenadian allegations that the Indonesians had been selling below agreed minimum prices. Hopes of reviving the cartel, despite Grenadian government efforts, seem likely to fail. Canute James reports. Page 34

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Bilfing Berg	905	+	36
Porsche	898	+	8
Sud Chemie	625	+	20
Falls			
Asko	825	–	8
Hoesch	284	–	6.7
Karstadt	580	–	12

NEW YORK ($)

Rises			
Cleveland-Cliff	32⅜	+	1⅜
Compaq	62¾	+	¼
Del Webb	11⅝	+	⅜
Falls			
Adia Serv	23	–	2½
Bob Evans Farms	19½	–	⅝
Intel	47¾	–	½

PARIS (FFr)

Rises			
Merlin-Gerin	560	+	12
SILIC	686	+	21
Valeo	448	+	12
Falls			
Air Liquide	725	–	10
Ecco	396	–	9
Unibail	721	–	19

TOKYO (Yen)

Rises			
[illegible]	1750	+	180
Kumiai Chem	1020	+	90
Nichiei Fin	2490	+	210
Falls			
OSG	1010	–	90
Tada	1400	–	80
Viva Home	3350	–	330

New York prices as at 12.30pm.

LONDON (Pence)

Rises				Enterprise	560	–	13
ADT	85	+	15	Gardner (DC)	99	–	5
AB Foods	515	+	15	Gibbs Mew	203	–	14
MB-Caradon	216	+	11	NFC Var Vtg	158	–	7
Pifco A	320	+	13	RMC	681	–	13
Sherwood Comp	112	+	5	Severfield	64	–	4
Tiphook	448	+	18	Sykes-Pickavant	67	–	5
Utd Friendly B	335	+	17	TVS	74	–	4
Falls				WPP	199	–	8
Calder	31	–	9				

Glaxo fights for Zantac patent

By Charles Leadbeater, Industrial Editor, in London

GLAXO, Britain's biggest pharmaceutical company, yesterday fired the first shot in a battle over the patents on Zantac, its ulcer treatment which is the world's best-selling drug.

The company has started legal action in the US against Genpharm Pharmaceuticals, a Canadian manufacturer of generic drugs, alleging infringement on one of the two main patents covering Zantac.

Genpharm, which is based in Toronto, has filed an abbreviated new drug application with the US Food and Drugs Administration seeking to manufacture a generic form of Zantac.

The applications set the scene for a protracted legal battle over one of the most lucrative drugs in the world. The outcome of the dispute will have a crucial bearing on Glaxo's future.

Zantac last year accounted for about half Glaxo's turnover of £2.8bn ($4.9bn). About 56 per cent of Zantac sales are in the US. The total sales of Zantac are equivalent to the entire pharmaceutical turnover of Pfizer, the US group which is one of the world's top 10 drug manufacturers.

A successful challenge from a generic drug producer could have a dramatic effect on Glaxo's revenues and profits in the latter half of the decade. It has been relying on profits from the ulcer treatment to fund a heavy research and development programme into new drugs. Generic drugs quickly eat into markets for brand-named drugs once patent protection breaks down or expires. In the past, it has taken only two years for generic drugs to capture half the market. Genpharm's challenge to the Zantac patent comes far earlier than many analysts had expected. The complex legal dispute will centre on two patents which cover ranitidine, the substance from which Zantac is manufactured.

The initial so-called Form 1 patent expires in the US in 1995. However, Glaxo argues that this patent covers forms of ranitidine which it has never manufactured or marketed. Glaxo says the relevant Zantac patent is the Form 2 which expires in 2002. It covers a crystalline form of ranitidine. Glaxo, which has been preparing for a challenge to Zantac for years, is expected to unveil one of the most sophisticated patent protection programmes yet seen from a drug company.

Genpharm would not comment on the dispute. However, London analysts regard it as a serious generic drug producer. It is used to fighting patent battles, and analysts believe it may be backed by larger generic producers such as American Cyanamid or Ciba-Geigy.

UK landlords are in a vulnerable position, reports Vanessa Houlder

Tenants hold the key to office bargains

As cranes are replaced by letting boards in the UK's over-built property market, there have rarely been better opportunities for footloose tenants. Cheap rents, generous concessions and abundant choice are the positive side to the recession that is hammering the property industry.

"Ask for the earth" is the advice to prospective tenants of one company which rents property in London. "We came up with a deal that surprised us greatly. We had no idea of the concessions that would be available," says its finance director.

"It is amazing," says a stockbroker who halved his rental costs after he threatened to give up his short-term lease on a building in the City of London. Just four weeks before the business was due to move out, the landlord persuaded it to stay by reducing the rent from £40 ($71) a sq ft to £20 a sq ft under a renegotiated short-term lease.

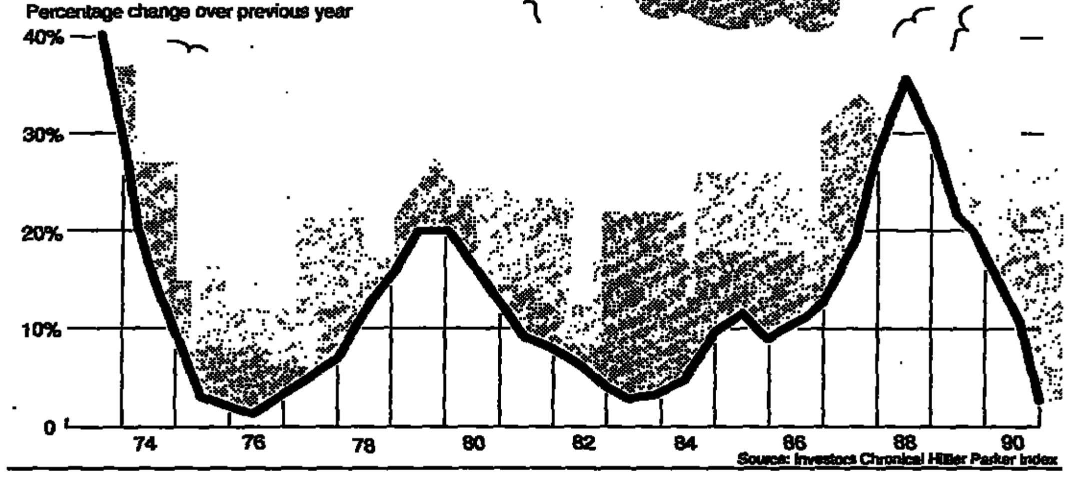
Privately, however, developers say that few potential occupiers have realised their true power. Whereas traditionally landlords have had the upper hand, they are now in a vulnerable position if they need to find an occupier. As well as cheaper rents, landlords are giving cash inducements, rent-free periods and allowances for fitting-out costs.

Not all developers are desperate – some top-quality shopping centres and office schemes are still reporting reasonable interest from tenants. In general, greater concessions are needed in the south of Britain than the north, and for office property. Office rents fell 6.6 per cent last year, compared to retail and industrial property, where rents grew by 1.3 per cent and 7.3 per cent, respectively. On average, annual property rents fell for the first time on record last year, according to Richard Ellis, chartered surveyors.

In the City of London, where vacancy rates are heading towards 20 per cent, rents have fallen an average 20 per cent from their peak in 1989.

Even the City's predicament is outstripped by that of the Docklands, an area on the fringe of London's financial district. South Quay 3, the largest building outside Canary Wharf in the Docklands, is being marketed for just £10 a sq ft – cheaper than new, air-conditioned property in virtually any city centre in Europe.

Rate of growth in rent charged
For all types of UK property
Percentage change over previous year



Source: Investors Chronical Hillier Parker Index

Any pressure on rents should come as a relief for tenants, who have been subjected to some of the highest rents in the world. Nonetheless, most tenants will find the effect of falling rents muted by the UK's rigid lease structure.

Tenants are typically locked into 25-year leases, with rent reviews every five years. The only benefit of falling rents to most occupiers is the likelihood of a less onerous increase at the next rent review.

Many tenants resent this. "The lease structure which prohibits an open-market rent is an anomaly," says one. "When we moved in, in early 1987, £15 a sq ft was regarded as a reasonable rent in Smithfield (beside the City of London). Now it is worth £10 a sq ft if we are lucky."

The lease structure is unlikely to be swept away as long as the main buyers of property are insurance companies and pension funds, which value the security of income supplied by a UK lease. However, there have been some innovations. Rents are partially linked to turnover in some retail centres, and break clauses, which give tenants some choice about when they give up the lease, are becoming more common.

Leases could be further eroded where institutions are not the most important buyers of property. "The institutional lease has been imposed on a lot of property that is not of institutional quality," says Mr Geoff Marsh of APR, a research company.

The log-jam in the existing system has resulted in the paradox that tenants are stuck with old-fashioned offices while modern, air-conditioned ones stand empty.

Even in the current economic climate, there remains pent-up demand from the supply shortage of 1986-89 which prevented many companies relocating to more up-to-date buildings. A recent survey by the independent valuers, Jones Lang Wootton, suggested that a quarter of office users in south-east England wanted to move in the foreseeable future.

The survey also found that 95 per cent of future demand was for modern office buildings which, it said, had "severe implications" for the second-hand office market. It will also slow the take-up of new space. If there is limited demand for second-hand offices, companies will find it hard to assign their existing space, which will frustrate their ability to move to new premises.

The stalemate is not absolute. Developers with financial muscle may find it worthwhile to take on a tenant's existing lease, if that allows the company to move. This practice was pioneered in the UK by Olympia & York, the Canadian developers of Canary Wharf. Nonetheless, the scope for this practice is limited to good quality premises with relatively short leases.

Inevitably, the pressure on rents has serious implications for property values. Last year, these tumbled due to the movement in yields – the ratio of rents to capital values, which is a yardstick of the likely investment prospects for property. While it seems unlikely that yields will move much further, the damage to property values is now being done by falling rents.

For a landlord with an established portfolio, the impact of the fall is cushioned by the lease structure. But for a developer letting a property for the first time, the decline in capital value will mirror the full decline in rental values. This explains why developers are trying to mask the impact by offering perks such as rent-free periods to get as high a rent as possible.

In the cyclical UK property market, tenants do not usually hold the whip hand for long. However, few landlords will be able to reassert their power until well after the economy recovers. UBS Phillips & Drew expects office rents to fall by 7½ per cent this year and a further 2 per cent in 1992. Retail rents, it says, will fall by 4.3 per cent this year and will rise by 4.2 per cent in 1992. Industrial rents, which have been less affected by over-supply than other sectors, should see a fall of 3 per cent this year and 2.2 per cent in the next.

Looking further ahead, the position of tenants will largely depend on the timing and vigour of the next wave of development. A fundamental change in the balance of power between landlord and tenant may be unlikely, but if much development continues, it is certainly possible.

Elsevier sells its stake in Pearson

By Ronald van de Krol in Amsterdam

ELSEVIER, the Dutch publisher, yesterday sold its 8.8 per cent stake in Pearson, the UK publishing and banking group, for £180m ($320m) to a banking consortium for placement with institutional investors.

The 24m shares were bought for £7.54 each by Cazenove, Smith New Court and Swiss Bank Corp and placed with investors for £7.62. Elsevier received Fl 608m for its Pearson shares, Fl 26m less than it paid.

Pearson, by contrast, made a substantial profit on the disposal of its 22.4 per cent stake in Elsevier because of a rise in Elsevier's share price and in the guilder during the past three years. The companies exchanged cross-shareholdings in 1988 but were unable to agree on a merger.

The proceeds will partly finance Elsevier's £440m acquisition of Pergamon Press from Maxwell Communication Corp.

Elsevier, an acquisitive company and the world's biggest scientific publisher, held talks on a possible merger several months ago with VNU, the Netherlands' largest publishing company.

Mr Joep Brentjens, chairman of the VNU, confirmed that talks had taken place but said the two companies were unable to agree on the range of businesses which the merged publishing group should pursue. They concluded the talks and parted "amiably", he said.

A merger between VNU and Elsevier, the Netherlands' two leading publishers, would have transformed the Dutch publishing sector and created a major international publishing group with sales of Fl 4.75bn ($2.5bn) and extensive operations in Europe and the US. The international movements entailed by these widespread holdings were partly to blame for the failure of Elsevier and Pearson to agree a merger.

Elsevier published definitive figures yesterday which showed a 60 per cent jump in net profit to Fl 506.9m from Fl 317.1m in 1989.

The company intends to raise its dividend to Fl 2.10 from Fl 1.80 in 1989.

The profit increase was due partly to extraordinary gains from Elsevier's sale last November of its 33 per cent stake in Wolters Kluwer, a fellow Dutch publisher.

After-tax operating profit, which the company regards as the best measure of its performance, rose 16.8 per cent to Fl 343.1m. Sales were up 5 per cent at Fl 2bn.

VNU talks, Page 26
Pearson writes down, Page 26

Banesto escapes Pta50bn provisions on share losses

By Peter Bruce in Madrid

MR MARIO CONDE, chairman of Spain's third-largest bank, Banesto, yesterday said that the bank would escape making provisions when it announces its first fully-consolidated results tomorrow.

The results will show a dramatic increase in profits despite earlier fears that it would have to make provisions of up to Pta50bn ($484m) to cover heavy losses on the value of investments held by Corporacion Industrial, its recently-formed industrial division, following the invasion of Kuwait.

Mr Conde hopes the move will end seven months of uncertainty in the markets and relieve tension with the Bank of Spain. The Bank feared Banesto might have to make provisions of up to Pta50bn for 1990 after shares in many of the companies owned or controlled by Corporacion Industrial fell to well below book value when Iraq invaded Kuwait in August.

Yesterday Mr Conde said that by strictly applying Bank of Spain accounting norms, Banesto would not have to make any provisions. It ended 1990 with consolidated group pre-tax profits of Pta74.5bn, 45 per cent up on 1989. Mr Conde said Banesto's interpretation of Bank of Spain norms greatly understated true profits.

A more thorough consolidation, taking into account the accumulated profits of all 3,000 companies in the industrial group, would raise the final banking and industry pre-tax profits to Pta93bn.

Mr Conde said Banesto was permitted under the Bank of Spain norms to disregard the share values of individual companies linked to Corporacion. What counted was stock in Corporacion itself, which had not suffered as badly as some of its components. "This is the key," he said. The government allowed a tax break worth almost Pta20bn when Corporacion was formed last year. It regarded the group as an active industrial manager, rather than a mere portfolio company.

It is not clear that the Bank of Spain agrees with this interpretation. A portfolio company would have to consolidate directly into Banesto's financial group. Mr Conde is consolidating the financial and industrial groups separately and adding the two together. He said he was "simply following the rules".

Banesto, which cancelled the flotation of 26 per cent of Corporacion following the invasion, said it no longer planned such a move. However, analysts close to the bank expect further private placements after the sale of a 5 per cent stake to Germany's Dresdner Bank earlier this year.

New chief at Commerzbank

By Andrew Fisher in Frankfurt

COMMERZBANK, Germany's third largest commercial bank, yesterday announced the appointment of Mr Martin Kohlhaussen as its new top executive to succeed Mr Walter Seipp, who is stepping down after a year of higher profits and an increased dividend.

Mr Kohlhaussen, 55, will take over after the bank's annual meeting in May. He will not be called chairman of the management board (equivalent to chief executive) like Mr Seipp, but board spokesman.

This is in line with the other large German banks, Deutsche Bank and Dresdner Bank, where, the senior executive is regarded as first among equals.

Commerzbank had nothing more to say on the talks, expected to lead to cross-shareholdings between itself and Crédit Lyonnais, the state-owned French bank. Both banks are keen to take small stakes in each other after the Paris government's relaxation of controls on state-held concerns, although it is believed the final details have still to be worked out.

The link with Crédit Lyonnais, with which the German bank already co-operates as part of the Europartners grouping, is expected to be a main topic at Commerzbank's annual press conference tomorrow. Full results for 1990 will also be given.

Yesterday, it announced its parent bank net profit, up by 19 per cent to DM437m ($261.7m), and a DM1 rise in the dividend to DM10. This makes it the only one of Germany's big three banks to raise its 1990 payment.

Deutsche Bank has announced an unchanged payment and Dresdner Bank is expected to do the same. Both raised their 1989 dividends, however, while Commerzbank stayed put.

Commerzbank gave no indication of its policy on eastern European – including Soviet – debt risk, following Deutsche Bank's extensive provisions.

However, analysts expect it to set aside funds for loans outstanding to eastern Europe without going to the same lengths as Deutsche, whose move on the Soviet Union was criticised by Mr Seipp.

Pearson writes down £71m cash investment in BSkyB

By Raymond Snoddy in London

PEARSON, the UK publishing, banking and industrial group, has written down its full £71m ($126m) cash investment in British Sky Broadcasting, more than a third of its £202m total commitment to the satellite venture so far.

The provision led to an extraordinary loss of £38.9m, partly offset by Pearson's £40m share of the gain made by Elsevier, when it sold its stake in fellow Dutch publisher Wolters Kluwer.

Pearson, publisher of the Financial Times, had pre-tax profits of £226.3m in the year to December, compared with £250.5m in 1989 – a drop of 10 per cent. Elsevier profits accounted for £32.3m in 1990.

Earnings per share fell 13 per cent from 67p to 58.5p with the 12.5p final dividend taking the total to 23.25p, an increase of 8 per cent.

As Pearson announced its annual results, Elsevier's 24m shares in Pearson, representing 8.8 per cent, were sold to a range of institutions.

In March, Pearson sold its 22.2 per cent stake in Elsevier for £314m after admitting that a hoped-for merger was now impractical.

, Lord Blakenham, Pearson chairman and chief executive, said that, against a background of recession and war in the Gulf, "we are very pleased with the performance of the business." He said the decision to write down the £71m BSkyB stake had been taken because of the company's conservative accounting polices.

Pearson remained "an enthusiastic shareholder" in BSkyB, convinced that it had "greater profit potential than all the terrestrial ITV companies put together".

Information and entertainment produced profits of £156.6m compared with £157.1m last year; oil services saw a 12 per cent profit rise to £30.2m; investment banking fell 14 per cent to £38.3m; and fine china fell 2 per cent to £22.8m per cent.

Newspaper trading profits dropped 19 per cent from £58.9m to £48m, reflecting the depth of the advertising recession. The FT Group was down 18 per cent to £34.8m.

VNU in talks on printing unit

By Ronald van de Krol

VNU, the largest Dutch publishing group, is holding "serious" talks with several companies in the Netherlands and abroad about selling all or part of its printing division.

The divestment, which would raise several hundred million guilders, could be completed within the next 12 months, Mr Joep Brentjens, chairman, said yesterday.

VNU said in November it wanted to pull out of printing to concentrate on publishing.

Printing accounted for Fl 900m ($478.7m) of VNU's annual turnover of Fl 2.72bn last year. Among the division's customers are magazines such as The Economist, Time and Business Week, which print part of their weekly editions at a VNU offset plant in the Netherlands.

Mr Brentjens also said VNU was interested in increasing its 11 per cent stake in VTM, the Flemish-language Belgian commercial television station, and its 19 per cent holding in RTL 4, a Luxembourg-based, Dutch-language commercial TV station that beams programmes to the Netherlands.

VNU posted a 7.3 per cent decline in 1990 net profit to Fl 146m, due partly to provisions for future restructuring.

Linde forecasts slower growth

By Andrew Fisher in Wiesbaden

LINDE, the German engineering group, expects slower growth in turnover and profits this year after a solid increase in 1990, but will lift capital spending by 40 per cent to around DM700m ($412m), Mr Hans Meinhardt, the chief executive, said.

Turnover in 1991 should increase by between 5 and 10 per cent with profits also slightly higher, he added. Last year, group turnover rose 11 per cent to DM6.1bn, with pre-tax profits up by 9.5 per cent to DM479m, and net profits 14 per cent higher at DM212m. Net cash flow increased by 13 per cent to DM600m.

Linde has already proposed raising its dividend by DM1 to DM15. Earnings per share were DM42.50 against DM42; without the dilution caused by a capital increase, the figure was just over DM46, a 10 per cent rise. Mr Meinhardt said domestic profits had gone up, but those from abroad had eased.

In the first two months of 1991, turnover rose 14 per cent to DM874m. The order backlog was DM5.5bn, 30 per cent up on end-February 1990. Linde booked a 16 per cent increase in new orders last year at DM7.4bn, helped by a 60 per cent jump in the industrial plant sector to DM2.3bn. This included a DM1bn contract, its biggest ever, from the BASF chemical group for an ethylene plant in Antwerp, Belgium.

Despite the rise in turnover and orders, Mr Meinhardt said it had become harder to assess the outlook for the rest of the year. As well as the US and the UK, France and Spain were now among the industrialised countries showing economic weakness.

Mr Meinhardt expressed uncertainty about the trend later this year in industrial handling equipment, which accounts for half of Linde's business.

Linde plans to invest about DM200m in a new gas plant at Leuna, east Germany, and DM150m in Czechoslovakia, where it has taken a majority stake in Technoplyn, the country's biggest gas company.

Hoesch picks new chairman to succeed Rohwedder

By David Goodhart in Bonn

THE DISPUTE on the supervisory board of Hoesch, the German steel and technology group, over choosing a new chairman to succeed Mr Detlev Rohwedder, the assassinated head of the east German Treuhand agency, has been resolved in favour of Mr Kajo Neukirchen, currently chairman of investment goods group Klöckner Humbolt Deutz (KHD).

The supervisory board announced last night that it had reached a unanimous decision and that Mr Neukirchen would join Hoesch as soon as a date could be agreed with KHD. Mr Neukirchen has led KHD out of a loss-making three year patch.

The shareholder representatives on the board had originally wanted Mr Hero Brahms, Hoesch finance director, who also had the support of Mr Rohwedder, but he was blocked by trade union representatives who believed he had taken too hawkish a position in the metal industry employers organisation. Mr Brahms may now leave the company.

The supervisory board also announced yesterday that Hoesch sales had risen in 1990 from DM12bn ($7.1bn) to DM12.6bn but warned that earnings were lower, without giving any details.

Despite many years of diversification about half of Hoesch's profit still comes from steel and the weaker earnings reflect the weaker steel market.

Générale des Eaux sees rise

GENERALE des Eaux, France's largest water distribution and public services group, estimates that net profits rose by slightly more than 20 per cent last year, writes William Dawkins.

Turnover rose from FFr98.5bn ($17.4bn) in 1989 to about FFr117bn last year, of which FFr30bn – more than 25 per cent – was abroad. Consolidated net profits increased from FFr1.83bn to more than FFr2.2bn. last year.

New top executive at Commerzbank

By Andrew Fisher in Frankfurt

COMMERZBANK, Germany's third largest commercial bank, yesterday announced the appointment of Mr Martin Kohlhaussen as its new top executive to succeed Mr Walter Seipp, who is stepping down after a year of higher profits and an increased dividend.

Mr Kohlhaussen, 55, will take over after the bank's annual meeting in May. He will not, however, be called chairman of the management board (equivalent to chief executive) like Mr Seipp, but board spokesman. This brings Commerzbank into line with the other large German banks, Deutsche Bank and Dresdner Bank, where the senior executive is regarded as first among equals.

Commerzbank had nothing more to say on the talks, which are expected to lead to cross-shareholdings between itself and Crédit Lyonnais, the state-owned French bank. Both banks are keen to take small stakes in each other after the Paris government's relaxation of controls on state-held concerns, although details have still to be worked out.

The link with Crédit Lyonnais, with which the German bank already co-operates as part of the Europartners grouping, is expected to be a main topic at Commerzbank's annual press conference tomorrow. Full results for 1990 will also be given.

Yesterday, it announced its parent bank net profit, up by 19 per cent to DM437m ($261.7m), and a DM1 rise in the dividend to DM10. This makes it the only one of Germany's big three banks to raise its 1990 payment.

Deutsche Bank has announced an unchanged payment and Dresdner Bank is expected to do the same. Both raised their 1989 dividends, however, while Commerzbank stayed put.

Commerzbank gave no indication of its policy on eastern European – including Soviet – debt risk, following Deutsche Bank's extensive provisions. However, analysts expect it to set aside funds for loans outstanding to eastern Europe without going to the same lengths as Deutsche, whose move on the Soviet Union was criticised by Mr Seipp.

Laidlaw 'willing to negotiate'

By Bernard Simon in Toronto

LAIDLAW, the Canadian waste management group and largest shareholder of ADT which last week alleged that Bermuda-based security and car auction group had manipulated its profits, is still prepared to negotiate a settlement, Laidlaw's chief executive, Mr Donald Jackson, said yesterday.

Mr Jackson said in an interview that although discussions with ADT's chief executive, Mr Michael Ashcroft, broke down over the weekend, "I'm hopeful that as a result of these negotiations Mr Ashcroft and I will redefine a relationship that's productive to both of us in the future." He hoped talks would take place shortly.

Mr Jackson said the case filed last week in New York district court was not tactical litigation. The suit, filed by ADT's largest shareholder which owns a 28.4 per cent stake, aimed to gain Laidlaw direct representation on the ADT board and lead to greater disclosure of the company's financial affairs.

Laidlaw is understood to be satisfied with ADT's offer of three seats on an expanded 12-member board. However, it is reluctant to drop its lawsuit until tighter corporate governance rules are formally written into ADT's by-laws. Laidlaw's relationship with ADT has hitherto been largely governed by a two-page standstill agreement drawn up in April 1990 by Mr Ashcroft and Laidlaw's founder Mr Michael de Groote.

Mr Ashcroft, who is a director of Laidlaw, is expected to attend its board meeting in Burlington, outside Toronto, tomorrow. Laidlaw will issue its quarterly earnings after the meeting.

MB-Caradon up at £101.7m

By Maggie Urry in London

MB-CARADON, the UK building products, cheque printing and packaging conglomerate, produced better-than-expected results yesterday, pushing the shares up 11p to 216p.

Pre-tax profits were £101.7m ($180.87m) for 1990 compared with £80.1m in the previous nine months, or £97.7m on a pro forma basis for 1989.

Group sales were slightly down on the pro forma figure at £695.5m.

The surprise in yesterday's figures was the performance of the building products side, which includes bathrooms, radiators and double glazing. This division pushed operating profits up 11.4 per cent to £62.4m (against the pro forma figure) on sales only1.7 per cent higher at £531.7m.

Mr Jansen said that CMB Packaging had a disappointing year. MB-Caradon has a 25 per cent stake in CMB following the merger of Metalbox Packaging and Carnaud of France in 1989.

Lex, Page 24

Yves Saint Laurent remains cautious

YVES SAINT Laurent, the French fashion and perfume group, saw a 12 per cent rise in net profits last year. However, it warned that a drop in airport duty free sales and the general recession were making conditions difficult this year, writes William Dawkins in Paris.

Net earnings rose from FFr225m ($40.5m) in 1989 to FFr252m last year, comfortably ahead of the forecast made at the time of Yves Saint Laurent's flotation on the second market in July 1989. Almost all of the gain came thanks to an 11.8 per cent – or FFr25m – fall in interest expenses.

Operating income fell by 5.6 per cent from FFr552m to FFr521 over the same period, mainly due to the fall of the dollar and the yen. At constant exchange rates, operating profits would have risen by 8 per cent, said the group.

Eridania in L252bn rights issue

By Haig Simonian in Milan

ERIDANIA, the agro-industrial subsidiary of Italy's Ferruzzi group, has announced a L252bn ($202m) to L281bn rights issue to help finance expansion at Béghin-Say, the French sugar group it controls, and further growth in its own right.

The company said its results for last year, to be released later this month, were up on those of 1989, when consolidated net earnings amounted to L298bn on sales of L8,910bn.

The issue will help pay Eridania's share of Béghin-Say's FFr3bn ($529m) growth plans in eastern Europe and to finance its own gradual push into consumer foods.

The complex rights issue, subject to approval next month, gives shareholders the choice between either one new savings share alone, or with a warrant, for every five savings or ordinary shares held.

The new savings shares will be priced between L4,500 and L5,200 next month, while the warrant has already been set at L1,500. The warrant will be valid to convert either existing or new savings shares into ordinary shares at any time up to July 1 1994.

Montedison, Eridania's controlling company, has said it will take up or place its full rights, along with the associated warrants. Closing before the issue was announced, Eridania ordinary shares fell L180 to L7,250 while savings shares fell by L60 to L5,240 yesterday.

Westpac warns of lower dividend

By Mark Westfield in Sydney

AUSTRALIA'S Westpac Banking Corporation has warned investors it will cut its interim dividend and that its earnings in the six months to March 31 will fall short of expectations.

In a statement to the Australian Stock Exchange (ASX) yesterday, Westpac said its operating profit after tax for the first half of the financial year was being adversely affected by the deepening recession in Australia.

Last year, Westpac more than doubled net interim earnings of only A$156m by adding A$199m of surpluses from the staff superannuation fund.

Yesterday's statement said the depressed property markets in Australia and Britain had led to substantial provision against property loans, particularly those held by its wholly-owned subsidiaries, AGC and Bill Acceptance Corporation.

Westpac shares closed 8cents lower in response to the statement at A$3.96.

The bank said its debt provision for the six months would approach the A$586m (US$459m) of the second half of last year.

Mr Derek Haywood, the bank's financial controller, said that full-year earnings would be closer to the lower end of analysts' expectations of about A$550m, provided there was no further significant decline in conditions.

Loans on which borrowers were not paying interest had risen from A$2.5bn at September 30 last year to A$3bn at March 31.

The Australian share market is heavily dividend-driven, particularly by the superannuation funds looking for fully-franked tax-free dividends. Any drop or anticipated fall in dividends is immediately punished in the market.

One of Australia's most respected bank analysts, Wilson Lee, of stockbroker Bain Securities, said he had revised his interim dividend forecast to between 13 cents and 15 cents a share, compared with 25 cents for the same period last year. He expected net earnings of about A$250m for the half.

AMP shrugs off Pearl setback

By Mark Westfield

AUSTRALIAN Mutual Provident Society's managing director, Mr Ian Salmon, said yesterday the yield from its A$2.3bn ($1.8bn) acquisition of the Pearl Group had been 4 per cent negative in 1990.

Mr Salmon said Pearl "would work out to be an excellent investment" despite the negative return last year.

"Almost throughout the operation it is working as it may have done 20 years ago. It will be relatively straightforward to make quite important changes quickly," Mr Salmon said. "The changes we made last year were relatively minor but, despite that, we made a substantial increase in new business.

"Pearl was relatively immature in its business-producing capacity. It will turn out to be an excellent investment."

Mr Salmon also said that AMP had increased assets under management by 10.4 per cent to A$63.6bn in the year to December 31 and policyholders' funds by 5.5 per cent to A$53.7bn.

Apparel posts NZ$5.5m loss

APPAREL Holdings, the Brierley Investments' (BIL) subsidiary which operates a New Zealand chain of fashion stores, yesterday posted a loss of NZ$5.55m (US$3.3m) for the six months to January 31 on sales 15.5 per cent down at NZ$18.68m, writes Terry Hall in Wellington. Last December the group forecast a "significant improvement in profits".

Cuts as Rand Mines heads for 100

Philip Gawith on a shake-up before the mining group's centenary year

THE business world is an unsentimental place, as the Rand Mines group is discovering to its cost. Just a year before its centenary, the mining house that was once South Africa's largest is faced with the indignity of a large-scale restructuring, brought about by difficult conditions, particularly in the gold industry, bad luck and poor management.

Two recent initiatives suggest the group is at last receiving the sort of hard-headed managerial attention which has for so long seemed absent. Barlow Rand, Rand Mines' parent, says it is "considering a reorganisation of certain interests" within its mining and mineral processing division. Meanwhile, Barplats Mines, Rand Mines' platinum arm, has held unsuccessful talks about rationalisation with Rustenburg Platinum, the world's largest producer.

Within Rand Mines, the rationalisation has already begun, as a spate of announcements at the end of last year revealed:

- Harmony, its flagship gold mine, would have to cut production by 20 per cent, involving considerable job-losses, in order to remain profitable.
- Barbrook, its new gold mine, suspended operations in December, pending reassessment of its prospects.
- Vansa, the group's Vanadium mine was closed and platinum prospect Kennedy's Vale was shelved.

From one perspective, these announcements are reassuring. They testify to the sort of firm managerial action that critics have long been demanding.

But what went so badly wrong in the first place? Part of the answer lies in history. Analysts agree that, stretching back to pre-war years, Rand Mines was "late to the party" when it came to securing prime exploration prospects. This was largely due to the tardy attitude of its UK parent, Central Mining.

As a result, Harmony (in 1954) was the last important gold mine opened by the group which now only has five marginal gold operations that it manages. The smaller Barbrook mine closed last year after only a year's production.

Rand Mines took steps at the end of last year to begin rationalising its activities. While from one perspective, this was reassuring, the group has recently made some big miscalculations and poor investment decisions. Most analysts are united in their condemnation of the current management

Another mine, ERPM, has achieved notoriety through the large losses it has run up. Analysts say these are in large part due to unrealistically optimistic assumptions made by Rand Mines about the gold price and possible recovery grades.

On the platinum side, Rand Mines failed during the 1960s to develop its rich and extensive prospects, and was forced to take what it could get during the 1980s. This has left it with a second rate portfolio.

More recently, there have been big miscalculations, such as the group's exchange rate calculations which were optimistic to the point of eccentricity.

Mr Dammy Watt, chairman, says the group had budgeted for an exchange rate of R2.90 to the US dollar in 1990, not anticipating the Reserve Bank's determination to protect the value of the currency. The actual rate stayed at about R2.55/$1 for most of the year. Mr Watt believes this alone cost the group about R90m ($33.3m) in profit.

After a certain point, a series of miscalculations and poor investment decisions becomes mismanagement. Analysts are near unanimous in their condemnation of current management. One commented: "Not only have they not achieved success, but they have failed so absolutely in putting packages together. They have failed to get every facet of the business right." There is surprise that heads have not yet rolled among the executive managers.

Mr Watt has pronounced the financial year to September a watershed in which important decisions affecting the future profitability of the group must be made.

Whether 1991 will provide the sort of watershed he is looking for is open to doubt. Mr John Clemmow, mining analyst at stockbrokers George Huysamer, believes equity accounted earnings will drop from R15.92 per share last year to R13.84 this, below the level of four years ago.

He is also predicting Rand Mines will cut its dividend, something mining houses are loathe to do, from 560 to 500 cents. The view of the market is clear. Although the price has recovered from a recent low of R53 to R70, on the news of possible restructuring, it is still a long way off the 1990 high of R140.

While the group is not exactly on its uppers – attributable profits in the year to September 1990 were R226.4m – it is the unevenness of its performance that gives cause for concern. The vast bulk of profits – 73 per cent or R163.2m – came from interests in coal. Gold only produced R5.5m, or 2.4 per cent, of profits, compared to 27 per cent five years ago.

Aside from the coal interests, widely considered to be a good investment, the group's future appears gloomy, hence the cautionaries.

The key lies with platinum, in particular how the group proceeds with the further development of the Crocodile River platinum mine now that talks with Rustenburg Platinum have fallen through. How to finance the further R350m to R400m needed to develop the mine's underground operations will be a challenge, especially as the market will not be hurrying to give its money to a project which is a complicated geological proposition and a high-cost producer.

Decisions – most likely disposals – must also be made concerning Barbrook, Vansa and Kennedy's Vale. With the group already diluting its holdings in the gold mines it manages, Rand Mines will be much streamlined by the time of its centenary.

INTERNATIONAL COMPANIES AND FINANCE

Monsanto to sell animal feed arm to Japanese

By Robert Thomson in Tokyo

MONSANTO, the US chemical company, has agreed to sell most of its animal feed ingredients business and related assets to Mitsui & Co, the Japanese trading house, and Nippon Soda, a leading Japanese chemical company, for around $300m.

The two Japanese concerns, both of which are keen to expand their agricultural interests, intend to form a new company in the US to run the business, which Monsanto announced in October would be sold as part of a restructuring.

Japanese companies have rapidly expanded foreign investment in farm-related businesses as their government has gradually liberalised agricultural trade.

Until now, most of the investment has been directly linked to food exports to Japan, but the purchase of the Monsanto feed business signals that the two companies are keen to expand their international livestock operations.

Mr Kyoichi Suzuki, Mitsui's executive managing director, said that "we look forward to the new company continuing a strong commitment to Monsanto's customers". Mitsui already has livestock feed interests in the US, but the new operations will make the company a significant international producer.

The sale, to be completed at the end of May, follows Monsanto's announcement of a 66.3 per cent drop in fourth-quarter net income, and a 19.6 per cent fall over the year. The company blamed the decline on poor weather, higher oil prices, and a slowing US economy.

Mr Robert Shapiro, executive vice-president of Monsanto, said the feed supplements business to be acquired by the Japanese companies reported sales during 1990 of about $140m. Under the agreement, Monsanto will continue to operate two of its feed facilities for the buyers.

"This is a strong and successful business that is not central to our long-term objectives. With this sale we can more tightly focus on our core strengths and better position our company for future growth," Mr Shapiro said.

Officials at the two Japanese companies said they are yet to decide how they will divide the new business between them, but it is presumed Mitsui will take about a 60 per cent stake and Nippon Soda will hold the remainder.

Nippon Soda is strong in caustic soda and agrochemicals, although profits have suffered because of high raw materials costs and rising labour charges in Japan.

In response, the company expanded its consumer products division, and the purchase of substantial US interests will also broaden its business.

● Abbott Laboratories, the US pharmaceuticals and laboratory products group, yesterday unveiled an increase in first quarter profits, Reuter reports.

The group reported 1991 first-quarter earnings of $254.2m, or 59 cents a share, up from $225m, or 51 cents, in the year-ago quarter. Sales advanced to $1.65bn from $1.44bn.

It said R&D expenses in its 1991 first quarter rose 15 per cent over last year to $153m.

American Barrick finds profit behind the hedge

Kenneth Gooding reports on the Canadian gold producer's moves to protect itself against low prices

WITH more than US$300m cash in hand, some of it raised via a carefully-timed share issue, the American Barrick Resources gold mining group expects to pick up some bargains from rival companies struggling to survive the present period of low gold prices.

Gold is trading below $360 a troy ounce, and analysts suggest that at this level about one-fifth of Canadian output is uneconomic. "We are entering a decade when only the big (gold mining groups) will survive," suggested Mr Bob Smith, Toronto-based Barrick's president, on a visit to London.

So far there have not been many bargains available among the North American gold companies. But a prolonged period of low gold prices might change the minds of some managers about what constitutes a fair price, he pointed out.

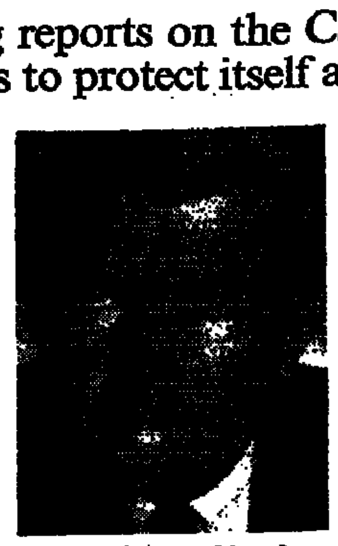
"It is becoming more difficult for other companies to compete and perform in current conditions. Opportunities will come along in the future which will make more economic sense for us," he said.

Some analysts suggest Barrick needs more acquisitions if it is to maintain its spectacular output growth. The company was set up only in 1983. Last year it produced 596,220 ounces of gold from its six mines. This year the total will rise to 625,000 ounces and then surge to 1.1m ounces in 1992, placing Barrick among the top half-dozen North American producers.

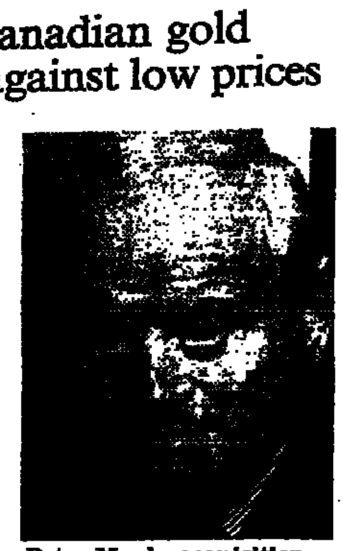
The strong rise in gold production, which jumped from 467,837 ounces in 1989, helped Barrick to a 73 per cent increase in net earnings for 1990 of $58.2m.

Most of Barrick's metal comes from the group's Goldstrike mine on the gold-rich Carlin Trend in Nevada. It is spending $150m a year on development work at Goldstrike, destined to become the single biggest gold mine in North America, in output terms, in 1992.

Barrick has identified nearly 18m ounces of proven and probable gold reserves at Goldstrike. Mr Smith suggested there was much more to come



Bob Smith: searching for economic opportunities



Peter Munk: acquisition policy will not change

from the exploration around existing operations which should ensure Goldstrike continues to play a vital role in Barrick's future growth. "The final chapter on reserves at Goldstrike has still to be written. We still don't know its full potential," he said.

The size of Barrick's gold reserves has enabled the company to enter into the most comprehensive price hedging programme in the industry and thus guarantee at least a minimum level of profits and effectively insulate itself against falling gold prices.

Mr Greg Wilkins, chief financial officer, said Barrick has about 4m ounces of gold hedged through gold loans, forward sales, options and spot deferred contracts.

He insisted the company's earnings would continue to increase whether the gold price went up or down. In fact, Barrick's earnings would be higher with a gold price of $300 an ounce than with a price of $400 because of the protection given by the hedging programme and because the company would pay lower royalties.

Nevertheless, Barrick expected the gold price to recover during the 1990s. Mr Wilkins suggested that rising gold mining costs worldwide, slowing production, together with "American factors" such as a weak US dollar, recession, large trade deficits, eased monetary policy and crisis in financial institutions, would push the price back up. Additionally, inflation should return and "inflation usually foreshadows a higher price for gold".

Barrick's founder and chairman, Mr Peter Munk, set up the Toronto-based company because he believed investors were looking for gold companies with operations entirely in North America. He said this policy would not change as Barrick sought further acquisitions. "I still believe that the market today will pay a premium for gold reserves in the US."

Mr Munk, who controls Barrick through his Horsham company, also set the tone of Barrick's financial conservatism, including the hedging programme.

Many other gold companies in the 1980s did not hedge because they believed investors preferred share prices to reflect the volatility of the gold price. But more than three years of falling gold prices has made hedging much more common.

Equity has played an important part in Barrick's growth. The company taps the market when conditions are favourable then keeps the proceeds until it has use for them. Barrick moved swiftly last August when the gold price showed a momentary improvement to raise $107m before costs via a public issue of 5m shares.

Asked how Barrick was able to react so quickly to the brief rise in the gold price, Mr Munk said: "Like Boy Scouts, we are always prepared."

Elkem plans to lift voting restrictions

By Karen Fossli in Oslo

ELKEM, the troubled Norwegian light metals producer, said its board has proposed lifting existing voting right restrictions which bar any shareholder from voting for more than 10 per cent of the share capital.

The restriction was originally implemented to prevent hostile takeovers and Elkem is one of the last Norwegian companies to have such a voting restriction intact.

Elkem's general assembly will finally decide on May 2 whether to scrap the 10 per cent voting restriction.

Orkla Borregaard, the Norwegian industrial company which has a majority 30.1 per cent stake in Elkem, would be the main beneficiary if the restriction is abolished.

Other leading shareholders include Saga Petroleum, Norway's biggest private oil company, which has a 12.4 per cent stake, and French Mining Company with 10 per cent.

Separately, Elkem said its board had reiterated a recommendation to extend until 1992 its mandate to issue up to 1.42m new shares, equivalent to 9.9 per cent of the existing capital.

The mandate was first granted in March 1990 but never used. Up to a third of the new shares under the mandate would be non-voting free shares while the remainder would be ordinary restricted stock.

The mandate is to be implemented by the board in connection with the full or partial takeover of other companies or on a general increase in the share issue.

In February, Elkem announced a 1990 pre-tax loss of NKr650m ($99.76m), before year-end allocations, compared with a NKr1.05bn profit in 1989.

It also revealed plans to pass its dividend, close two plants, and cut 800 jobs.

Provigo doubles earnings

By Robert Gibbens in Montreal

PROVIGO, Canada's second largest food distributor, almost doubled operating net profit to C$60.7m (US$52.57m) in the year ended January 26 on sales ahead 6 per cent at C$6.5 bn.

Final net profit was C$0.7m, or 1 cent a share, against a loss of C$51.4m, or 60 cents, a year earlier. Fourth-quarter profit was 18 cents a share, against 9 cents, on a sales gain of 7 per cent.

Provigo said the turnround in the food distribution business stemmed from rationalisation and gains in market share.

The Canadian catalogue store division has been sold to a joint venture including Ackermans & Van Haaren of Belgium for the equivalent of C$190m.

Analysts expect Provigo to continue its recovery in the current year.

● Videotron, the Montreal-based cable TV and broadcasting group, saw first-half earnings hit by higher financial charges for modernisation of the Canadian cable network and expansion of its cable system in southern England.

Net income for the period declined to C$3.6m, against C$9.2m a year earlier, on revenues of C$236m, compared with C$201m. However, after preferred dividends, Videotron had a final loss equal to 4 cents per common share against a profit of 18 cents a year earlier.

Second-quarter net income was C$1.2m, against C$3m, on revenues ahead to C$113m from C$102m. After preferred dividends the loss equalled 3 cents a common share, against a profit of 3 cents a year earlier.

INTERNATIONAL CAPITAL MARKETS

Treasuries trade quietly, and await possible rate cut

By Patrick Harverson in New York and Sara Webb in London

US GOVERNMENT bond prices moved in a narrow range amid quiet trading yesterday morning as the Treasury market waited to see if the Federal Reserve cuts interest rates in the wake of last week's bad employment figures.

By midday, the benchmark 30-year bond was up ⅛ at 96 19/32, to yield 8.154 per cent. The two-year note, which was notably firmer last week, eased 1/32 to 100⅜ to carry a yield of 6.900 per cent.

Most analysts believe the Fed will not move until sets of key economic data are released on Thursday and Friday. If the March producer and consumer prices indices show inflation easing from its recent high levels, then the Fed may feel it has the room for another cut in interest rates.

A press report that some members of the Federal Open Market Committee – the Fed's chief decision-making body – are unhappy at the way Mr Alan Greenspan, the Fed chairman, unilaterally decided to ease monetary policy after the January and February employment data, added to the market's uncertainty yesterday.

The report alleged the FOMC has now curtailed Mr Greenspan's authority to cut rates on his own initiative, and that divisions over the direction of monetary policy run deep in the committee.

■ UK government bond prices rose yesterday, helped by the strength of sterling on the foreign exchange market, which has rekindled hopes of a cut in interest rates.

The 11¾ per cent benchmark treasury stock maturing in 2003/07 opened at 111⅜, up 3/16 of a point on Friday, and closed at 111 19/32. The market is waiting to hear the March retail prices index, due out on Friday. Figures from the Central Statistical Office yesterday, showing that new borrowing by consumers was down to £3.6bn in February, the lowest monthly total since September 1989, had little effect on the gilt market.

■ YIELDS on Japanese Government bonds edged up in Tokyo as hopes of an imminent cut in interest rates in the US and Japan faded. The market was disappointed that the US Federal Reserve did not cut interest rates after last week's job market figures showed a sharp rise in unemployment. The yield on the benchmark bond issue No 129 opened at 6.625 per cent in Tokyo and closed at 6.64 per cent, trading at this level in London yesterday.

Trading volumes were thin and the volume in futures contracts was light in Tokyo. Only 31,115 contracts were traded with an underlying volume of Y3,100bn compared with the average volume of Y6,000bn to Y7,000 bn.

■ THE German government bond market opened weaker, but prices picked up during the day helped by buy orders in otherwise thin trading.

Prices were strongest at the shorter maturities, where they rose by around half a percentage point. Traders said investors were trying to target the cheaper parts of the yield curve, particularly the bunds maturing between 1997 and early 1999.

Investors are watching the yield spread between D-Mark bunds and Dutch guilder bonds of similar maturity.

The spread is about 18 basis points at the 1995 maturity and is approaching the level where investors may consider switching out of D-Marks into guilders, although traders said there was no evidence of actual switching yet.

Attention in the bond market is focused on economic data expected later this week.

German retail sales, trade balance and current account figures for February and March wholesale prices data are expected this week.

GOVERNMENT BONDS

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		13.500	09/92	103-29	+02/32	10.50	10.54	10.64
		9.000	03/00	94-15	+07/32	9.95	10.00	10.03
		9.000	10/08	93-30	+11/32	9.72	9.79	9.79
US TREASURY *		7.750	02/01	98-17	+05/32	7.97	8.05	8.10
		7.875	02/21	96-28	+05/32	8.15	8.25	8.27
JAPAN	No 119	4.800	6/99	88.4417	-0.138	7.02	7.00	7.02
	No 129	6.400	03/00	98.5970	-0.138	6.65	6.63	6.65
GERMANY		9.000	01/01	104.7000	+0.330	8.27	8.49	8.29
FRANCE	BTAN	9.000	02/96	99.7358	+0.302	9.05	9.18	9.12
	OAT	9.500	01/01	103.9200	+0.390	8.87	9.06	8.94
CANADA *		9.750	06/01	101.9500	-	9.44	9.51	9.55
NETHERLANDS		8.500	03/01	99.9800	+0.410	8.50	8.72	8.56
AUSTRALIA		13.000	07/00	109.2074	-0.122	11.38	11.38	11.42
BELGIUM		10.000	08/00	105.1500	+0.300	9.14	9.14	8.92

London closing, *New York morning session
Yields: Local market standard
Prices: US, UK in 32nds, others in decimal

Technical Data/ATLAS Price Sources

Barclays Bank in move to issue warrants

BARCLAYS Bank has filed with the Securities and Exchange Commission to issue warrants on European stock indices in the US market, writes Tracy Corrigan.

Barclays de Zoete Wedd, the investment banking arm of Barclays Bank which will structure the transactions, hopes to launch warrants on the UK's FT-SE index, Germany's DAX index and France's CAC index. But there are questions of disclosure regarding the German stock market which the SEC and the German authorities have yet to resolve.

The warrants will offer longer maturities than are available on exchange-listed options. BZW believes there is room to "extend the principle of cash-settlement stock index warrants on European indices into the US market".

● Barclays de Zoete Wedd was the leading bookrunner in equity covered and index-linked warrants during the first quarter, launching warrants worth $550m, nearly a quarter of all such issuance, the International Financing Review said.

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:10 pm on April 8

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	101½	102¼		7.92
ALBERTA PROVINCE 9 3/8 95	600	103¾	104¼		8.29
AUSTRIA 8 1/2 00	400	99¾	99⅝	+⅛	8.60
BANK OF TOKYO 8 3/8 96	100	99¼	99⅝		8.60
BELGIUM 9 1/8 92	400	102¼	102¾		7.45
BFCE 7 3/4 97	150	97⅞	98⅜		8.21
BNP 8 5/8 94	300	102⅛	102⅝	-⅛	7.98
BP CAPITAL 9 5/8 93	150	102⅜	103⅜		7.86
[illegible]					

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VEREINS INT 7 94 LFr	600	92¾	93¾		9.65
KREDIETCORP 7 93 LFr	1000	94½	95½		9.71
WORLD BANK 8 96 LFr	1000	96	97		9.02
AMRO BANK 6 1/4 92 Fl	150	95¾	96½		9.59
RABOBANK 5 3/4 93 Fl	150	94½	95		9.02
ALBERTA PROVINCE 10 92 C$	500	100⅛	100⅝		9.81
BCE INC 9 5/8 93 C$	300	99¼	99¾	+⅛	10.05
BELL CANADA 10 5/8 99 C$	150	101⅛	101⅝	-⅛	10.40
[illegible]					

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, April 8, 1991. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	99.25	56.1051	33.2217	40.8856
Albania	(Lek)	9.9615	5.6311	3.3343	4.1036
Algeria	(Dinar)	30 26	17.1057	10.1288	12.4654
Andorra	(Fr Fr)	10.1050	5.7122	3.3824	4.1627
	(Sp Peseta)	184.00	104.014	61.5899	75.7981
Angola	(Kwanza)	106.408(2)	60.1514	35.6177	43.8343
Antigua	(E Carr $)	4.75	2.6851	1.5899	1.9567
Argentina	(Austral)	17210.1	9728.72	5760.7	7089.64
Aruba	(Florin)	3.1531	1.7824	1.0554	1.2989
Australia	(Aus $)	2.2570	1.2758	0.7554	0.9297
Austria	(Schilling)	21.025	11.8852	7.0376	8.6611
Azores	(Port Escudo)	261.30	147.711	87.4644	107.642
Bahamas	(Bahama $)	1.7690	1	0.5921	0.7287
Bahrain	(Dinar)	0.6592	0.3726	0.2206	0.2715
Balearic Is	(Sp Peseta)	184.00	104.014	61.5899	75.7981
Bangladesh	(Taka)	61.00	34.4827	20.4184	25.1287
Barbados	(Barb $)	3.5429	2.0027	1.1859	1.4594
Belgium	(Belg Fr)	61.40	34.7088	20.5523	25.2935
Belize	(B $)	3.5230	1.9915	1.1792	1.4512
Benin	(CFA Fr)	505.25	285.613	169.121	208.136
Bermuda	(Bermudian $)	1.7690	1	0.5921	0.7287
Bhutan	(Ngultrum)	34.70	19.6156	11.615	14.2945
Bolivia	(Boliviano)	6.1741	3.4901	2.0666	2.5433
Botswana	(Pula)	3.4768	1.9654	1.1637	1.4322
Brazil	(Cruzeiro)	435.907	246.414	145.91	179.57
Brunei	(Brunei $)	3.1250	1.7665	1.046	1.2873
Bulgaria	(Lev)	39.870	22.5381	13.3456	16.4243
Burkino Faso	(CFA Fr)	505.25	285.613	169.121	208.136
Burma	(Kyat)	11.4572	6.4766	3.835	4.7197
Burundi	(Burundi Fr)	309.50	174.958	103.598	127.497
Cambodia	(Riel)	810.29	458.05	271.227	333.796
Cameroon	(CFA Fr)	505.25	285.613	169.121	208.136
Canada	(Canadian $)	2.0440	1.1554	0.6841	0.842
Canary Is	(Sp Peseta)	184.00	104.014	61.5899	75.7981
Cp. Verde	(CV Escudo)	125.929	71.1865	42.1519	51.876
Cayman Is	(CI $)	1.4620	0.8264	0.4893	0.6022
Cent. Afr. Rep	(CFA Fr)	505.25	285.613	169.121	208.136
Chad	(CFA Fr)	505.25	285.613	169.121	208.136
Chile	(Chilean Peso)	609.50	344.545	204.017	251.081
China	(Renminbi Yuan)	9.2418	5.2243	3.0934	3.8071
Colombia	(Col Peso)	1057.0	597.513	353.808	435.427
Comoros	(CFA Fr)	505.25	285.613	169.121	208.136
Congo (Brazz)	(CFA Fr)	505.25	285.613	169.121	208.136
Costa Rica	(Colon)	202.22	114.313	67.6887	83.3038
Côte d'Ivoire	(CFA Fr)	505.25	285.613	169.121	208.136
Cuba	(Cuban Peso)	1.4030	0.7931	0.4696	0.5779
Cyprus	(Cyprus £)	0.8145	0.4604	0.2726	0.3355
Czechoslovakia	(Koruna)	50.71c	28.6659	16.974	20.8898
		52.54t	29.7003	17.5866	21.6436
Denmark	(Danish Kroner)	11.4575	6.4768	3.8351	4.7198
Djibouti Rep	(Djib Fr)	305.00	172.414	102.092	125.644
Dominica	(E Carrib $)	4.75	2.6851	1.5899	1.9567
Dominican Rep	(D Peso)	23.16	13.0921	7.7523	9.5406
Ecuador	(Sucre)	1856.00o	1049.18	621.255	764.573
		1713.00a	968.344	573.389	705.664
Egypt	(Egyptian £)	5.8950	3.3323	1.9732	2.4284
El Salvador	(Colon)	14.1900	8.0214	4.7497	5.8455
Equat'l Guinea	(CFA Fr)	505.25	285.613	169.121	208.136
Ethiopia	(Ethiopian Birr)	3.6216	2.0472	1.2122	1.4919
Falkland Is	(Falk £)	1.00	0.5652	0.3347	0.4119
Faroe Is	(Danish Kroner)	11.4575	6.4768	3.8351	4.7198
Fiji Is	(Fiji $)	2.5815	1.4592	0.8641	1.0634
Finland	(Markka)	7.0240	3.9706	2.3511	2.8935
France	(Fr)	10.1050	5.7122	3.3824	4.1627
Fr. Cty/Africa	(CFA Fr)	505.25	285.613	169.121	208.136
Fr. Guiana	(Local Fr)	10.1050	5.7122	3.3824	4.1627
Fr. Pacific Is	(CFP Fr)	180.00	101.752	60.251	74.1503
Gabon	(CFA Fr)	505.25	285.613	169.121	208.136
Gambia	(Dalasi)	13.4050	7.5777	4.487	5.5221
Germany	(D-Mark)	2.9875	1.6888	1	1.2306
Ghana	(Cedi)	634 890	358.898	212.515	261.541
Gibraltar	(Gib £)	1.00	0.5652	0.3347	0.4119
Greece	(Drachma)	322.740	182.442	108.03	132.952
Greenland	(Danish Krone)	11.4575	6 4768	3.8351	4.7198
Grenada	(E Carr $)	4 75	2.6851	1.5899	1.9567
Guadaloupe	(Local Fr)	10.1050	5.7122	3 3824	4.1627
Guam	(US $)	1.7690	1	0.5921	0.7287
Guatemala	(Quetzal)	8 1900	4.6297	2.7414	3.3738
Guinea	(Fr)	1092 13a	617.371	365.567	449 899
		528.45o	298.728	176 887	217.693
Guinea-Bissau	(Peso)	1144.98	647.247	383.257	471.67
Guyana	(Guyanese $)	203.01	114.76	67.9531	83.6292
Haiti	(Goude)	8.8075	5	2.9481	3.6282
Honduras	(Lempira)	9.8400	5.5624	3.2937	4.0535
Hong Kong	(HK $)	13.7945	7.7979	4.6174	5.6825
Hungary	(Forint)	132.893	75.1232	44 483	54.7447
Iceland	(Icelandic Krona)	105.15	59.4403	35.1966	43.3161
India	(Indian Rupee)	34.70	19 6156	11.615	14.2945
Indonesia	(Rupiah)	3407.08	1925.99	1140.45	1403.53
Iran	(Rial)	120.70	67 1	40.4016	49.7219
Iraq	(Iraqi Dinar)	0.5477	0.3096	0.1833	0.2256
Irish Rep	(Punt)	1.1170	0.6314	0.3738	0.4601
Israel	(Shekel)	4 00(1)	2.2611	1.3389	1.6477
Italy	(Lira)	2215 25	1252.26	741.506	912.564
Jamaica	(Jamaican $)	14.1825	8.0172	4.7472	5.8424
Japan	(Yen)	242.75	137.224	81.2552	100
Jordan	(Jordanian Dinar)	1.1375	0.643	0.3807	0.4685
Kenya	(Kenya Shilling)	46.76	26.433	15.6518	19.2626
Kiribati	(Australian $)	2.2570	1.2758	0.7554	0.9297
Korea North	(Won)	1.7087	0.9659	0.5719	0.7038
Korea South	(Won)	1276.15	721.396	427.163	525.705
Kuwait ‡	(Kuwaiti Dinar)				
Laos	(New Kip)	1233.05	697.032	412.736	507.951
Lebanon	(Lebanese £)	1658.4	937.479	555.113	683.172
Lesotho	(Maloti)	4.8043	2.7158	1.6081	1.9791
Liberia	(Liberian $)	1.7690	1	0.5921	0.7287
Libya	(Libyan Dinar)	0.4996	0.2824	0.1672	0.2058
Liechenstein	(Swiss Fr)	2.5350	1.433	0.8485	1.0442
Luxembourg	(Lux Fr)	61.40	34.7088	20.5523	25.2935
Macao	(Pataca)	14.1894	8.0211	4.7495	5.8452
Madagascar	(MG Fr)	2958.50	1672 41	990.293	1218.74
Madeira	(Port Escudo)	261.30	147.711	87.4644	107.642
Malawi	(Kwacha)	4.8952	2.7672	1.6385	2.0165
Malaysia	(Ringgit)	4.8615	2.7481	1.6272	2.0026
Maldive Is	(Rufiya)	17.504	9.8948	5.859	7.2107
Mali Rep	(CFA Fr)	505.25	285 613	169.121	208.136
Malta	(Maltese £)	0.5740	0.3244	0.1921	0.2364
Martinique	(Local Fr)	10.1050	5.7122	3.3824	4.1627
Mauritania	(Ouguiya)	136.428	77.1215	45.6662	56.201
Mauritius	(Maur Rupee)	26.90	15.2063	9.0041	11.0813
Mexico	(Mexican Peso)	5246.10d	2965.57	1756.02	2161.11
		5299.00a	2995.48	1773.72	2182.9
Miquelon	(Local Fr)	10.1050	5.7122	3.3824	4.1627
Monaco	(French Fr)	10.1050	5.7122	3.3824	4.1627
Mongolia	(Tugrik)	5.9107	3.3412	1.9784	2.4348
Montserrat	(E Carr $)	4.75	2.6851	1.5899	1.9567
Morocco	(Dirham)	13.8250	7.8151	4.6276	5.6951
Mozambique	(Metical)	1980.70	1119.67	662.996	815.942
Namibia	(S A Rand)	4.8043	2.7158	1.6081	1.9791
Nauru Is	(Australian $)	2.2570	1.2758	0 7554	0.9297
Nepal	(Nepalese Rupee)	54.78	30.9666	18.3364	22.5664
Netherlands	(Guilder)	3.3650	1.9022	1.1263	1.3861
N'nd Antilles	(A/Guilder)	3.1531	1.7824	1.0554	1.2989
New Zealand	(NZ $)	2.9890	1.6896	1.0005	1.2313
Nicaragua	(Gold Cordoba)	9.1598	5.1779	3.066	3.7733
Niger Rep	(CFA Fr)	505.25	285.613	169.121	208.136
Nigeria	(Naira)	16.72	9.4516	5.5966	6.8877
Norway	(Nor. Krone)	11.6175	6.5672	3.8887	4.7857
Oman	(Rial Omani)	0.6759	0.382	0.2262	0.2784
Pakistan	(Pak. Rupee)	40 00	22 6116	13.3891	16.4778
Panama	(Balboa)	1.7690	1	0.5921	0 7287
Papua New Guinea	(Kina)	1.6695	0.9437	0 5588	0 6877
Paraguay	(Guarani)	2324.00	1313.74	777.908	957.364
Peru	(New Sol)	1.0100	0 5709	0.338	0.416
Philippines	(Peso)	47 00	26.5686	15.7322	19.3614
Pitcairn Is	(£ Sterling)	1 00	0.5652	0 3347	0 4119
	(NZ $)	2.9890	1 6896	1.0005	1 2313
Poland	(Zloty)	16952.0	9582.82	5674 31	6983.32
Portugal	(Escudo)	261.30	147.711	87 4644	107 642
Puerto Rico	(US $)	1.7690	1	0.5921	0.7287
Qatar	(Riyal)	6.3905	3.6124	2.139	2.6325
Reunion Is. de la	(F/Fr)	10.1050	5.7122	3.3824	4.1627
Romania	(Leu)	105.27(4)	59.5081	35.2368	43 3656
Rwanda	(Fr)	228.02	128.898	76.3246	93 932
St Christopher	(E Carr $)	4.75	2.6851	1.5899	1.9567
St Helena	(£)	1.00	0.5652	0.3347	0.4119
St Lucia	(E Carr $)	4.75	2.6851	1 5899	1.9567
St Pierre	(French Fr)	10.1050	5.7122	3.3824	4 1627
St Vincent	(E Carr $)	4.75	2.6851	1 5899	1 9567
San Marino	(Italian Lira)	2215.25	1252 26	741 506	912 564
Sao Tome	(Dobra)	265.46	150 062	88 8569	109 355
Saudi Arabia	(Riyal)	6.5841	3 7219	2 2038	2 7122
Senegal	(CFA Fr)	505.25	285 613	169 121	208.136
Seychelles	(Rupee)	9.20	5.2006	3 0794	3 7899
Sierra Leone	(Leone)	376.70	212.945	126 092	155.18
Singapore	($)	3.1250	1.7665	1.046	1.2873
Solomon Is	($)	4.7119	2 6635	1.5772	1 941
Somali Rep	(Shilling)	4615.15	2608.9	1544.82	1901 19
South Africa	(Rand)	4.8043c	2.7158	1 6081	1 9791
		5.9468g	3 3616	1.9905	2.4497
Spain	(Peseta)	184.00	104.014	61.5899	75.7981
Spanish Ports in N Africa	(Sp Peseta)	184.00	104.014	61.5899	75.7981
Sri Lanka	(Rupee)	71.00	40 1356	23 7656	29 2481
Sudan Rep	(£)	7.9268o	4.4809	2 6533	3 2654
		20.17g	11.4019	6 7514	8.3089
Surinam	(Guilder)	3.1443	1.7774	1 0524	1.2952
Swaziland	(Lilangeni)	4 8083	2.718	1 6094	1.9807
Sweden	(Krona)	10.7600	6.0825	3 6016	4.4325
Switzerland	(Fr)	2.5350	1.433	0.8485	1 0442
Syria	(£)	39 1934	22.1556	13 1191	16.1455
Taiwan	($)	48.60	27.4731	16.2677	20.0205
Tanzania	(Shilling)	356.35	201.441	119 28	146.797
Thailand	(Baht)	44.00	24.8728	14.728	18 1256
Togo Rep	(CFA Fr)	505 25	285.613	169 121	208.136
Tonga Is	(Pa Anga)	2.2570	1 2758	0.7554	0.9297
Trinidad/Tobago	($)	7.4864	4.2319	2 5059	3 0839
Tunisia	(Dinar)	1.6427	0 9286	0 5498	0 6767
Turkey	(Lira)	6605.91(3)	3734.26	2211.18	2721 28
Turks & Caicos	(US $)	1.7690	1	0 5921	0.7287
Tuvalu	(Australian $)	2.2570	1.2758	0.7554	0.9297
Uganda	(New Shilling)	1078 92	609.904	361.145	444 457
U A E	(Dirham)	6.4483	3.6451	2.1584	2.6563
United Kingdom	(£)	1 00	0.5652	0 3347	0 4119
United States	(US $)	1.7690	1	0 5921	0.7287
Uruguay	(Peso)	3140 00	1775.01	1051 05	1293 51
USSR	(Rouble)	1.0252o	0.5795	0.3431	0.4223
		3 0756c	1.7386	1 0294	1 2669
Vanuatu	(Vatu)	192 50	108.819	64 4351	79 2996
Vatican	(Lira)	2215.25	1252.26	741 506	912 564
Venezuela	(Bolivar)	96 85	54.7484	32 4184	39 897
Vietnam	(Dong)	12947.03	7318.84	4333 73	5333 48
Virgin Is-British	(US $)	1.7690	1	0 5921	0 7287
Virgin Is-US	(US $)	1.7690	1	0 5921	0.7287
Western Samoa	(Tala)	4.0078	2.2655	1.3415	1.6509
Yemen	(Rial)	22.98	12 9903	7.692	9 4665
Yemen PDR	(Dinar)	0.8121	0.459	0 2718	0 3345
Yugoslavia	(Dinar)	26.7532	15.1233	8.955	11 0208
Zaire Rep	(Zaire)	6421.00	3629.73	2149 29	2645 11
Zambia	(Kwacha)	94.68	53.5217	31.692	39.003
Zimbabwe	($)	5.1522	2.9124	1 7245	2.1224

Special Drawing Rights April 5,1991 United Kingdom £0.764206 United States $1.36449 Germany D Mark 2.27501 Japan Yen185.844
European Currency Unit Rates April 8,1991 United Kingdom £0.690686 United States $1.22079 Germany D Mark 2.06191 Japan Yen166.821

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (i) Non commercial rate; (j) Business rate; (k) Buying rate; (l) Luxury goods; (m) Market rate; (n) Public transaction rate; (o) Official rate; (p) preferential rate; (q) convertible rate; (r) parallel rate; ‡Kuwait unavailable. (s) Selling rate; (t) Tourist rate (u) Currencies fixed against the US Dollar;
Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 071 634 4360/5.
Monday, April 8, 1991
(1)Israeli Shekel Devalued 6.25% March 11.(2)Angola Kwanza devalued to 60 to the US Dollar, March 18.(3) Turkey revalued by 14% March 26
(4)Romanian Leu Devalued 42% April 8.

PAN-HOLDING
SOCIETE ANONYME LUXEMBOURG

As of March 31, 1991, the unconsolidated net asset value was USD 316,322,767.57 i.e. USD 514.35 per share of USD 100 par value. The consolidated net asset value per share amounted as of March 31, 1991 to USD 544.28.

REPUBLIC OF COLOMBIA
US$50,000,000
FLOATING RATE SERIAL NOTES DUE 1994
April 9, 1991, London

Eurodollar and Ecu sectors win support from investors

By Simon London in London

NEW issue activity in the international bond market was subdued yesterday although conditions remain favourable, with both the Eurodollar and the Ecu sectors finding strong support from investors.

The biggest issue of the day came from Province of Quebec, offering $300m of 10-year paper in a deal lead managed by Warburg Securities. The paper was re-offered to investors at a fixed price of 99.81, for a yield spread of 85 basis points over 10-year US Treasury paper. In February, Warburg launched a similar 10-year $300m deal for Hydro-Quebec, the state-backed power company, at a spread of 105 basis points over Treasuries.

The spread on the Hydro-Quebec paper has narrowed considerably and the bonds were last week quoted at 72 basis points over Treasuries. But many of the bonds are in the hands of continental European retail buyers and the issue trades expensively in the secondary market due to lack of liquid paper.

The decision to price the bonds at a wider spread than the Hydro-Quebec paper appeared to be vindicated by the performance of the issue yesterday. Once the bonds were freed to trade, the spread remained at around 85 basis points. Demand was reported from from the far east and middle east.

Syndicate managers expect supply of paper from Canadian provinces to continue this month, fuelled by the need to refinance redemptions of existing bond issues and higher budgetary requirements. Quebec currently carries a AA-credit rating from Moody's Investors Service and AA3 from Standard & Poor's, the US credit rating agencies.

Supply of Canadian dollar paper continued yesterday, with Prudential Funding Corporation offering C$100m of five-year paper in a deal lead-managed by Hambros. The paper carries a 10 per cent coupon and was priced at 101½, to yield 57 basis points over the 9¼ per cent Canadian government bond maturing 1996. The paper traded at 100.80 bid, well inside full fees of 1⅞ per cent.

The lead manager said retail buyers retained a healthy appetite for Canadian dollar bonds despite the flood of new paper in the first quarter of the year. In the three months to end-March, nearly $4bn equivalent of paper was issued in the sector, against $680,000 last year.

The Ecu sector of the market continued last week's rally, prompting speculation regarding new issues. Spain is expected to raise up to Ecu1.5bn this month in a domestic issue with international syndication. The European Community may raise a smaller amount, perhaps by adding fungible paper to an existing issue.

● BP America, the US arm of the UK oil giant, yesterday raised $200m in the US bond market. The 10-year bond issue was managed by Lehman Brothers. The paper pays a coupon of 8¾ per cent and was priced to yield 65 basis points over US Treasury paper.

INTERNATIONAL BONDS

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Province of Quebec(a)†	300	9	99.81	2001	⅜/⅛	SG Warburg Secs.
ECUs						
IBM Int.Finance NV(b)†	50	9¼	(b)	1994	-	Paribas Capital Mkts.
CANADIAN DOLLARS						
Prudential Funding Corp(a)†	100	10	101½	1996	1⅞/1¼	Hambros Bank
D-MARKS						
Banque Worms SA(a)★★†	100	8½	100½	2001	2/1½	Nord/LB
National Bk of Hungary(c)†	150	10½	100	1996	2/1¼	Commerzbank
SWISS FRANCS						
Bankers Tst.(Frankfurt)(a)★★†	30	13	100	1992	-	Bank Vontobel

★★Private placement. §Convertible. ¶With equity warrants. ‡Floating rate note. †Final terms. a) Non-callable. b) Fungible with existing Ecu150m deal launched February. Fixed price reoffer - 100⅞%. Non-callable. c) Issue launched 5/4/91. Fungible with existing DM200m deal launched March.

French bank in issue of asset-backed securities

By George Graham in Paris

CREDIT Lyonnais, the French state-owned bank, is to launch France's largest issue of asset-backed securities by securitising FFr2bn of personal loans.

The French bank, which works in partnership with Bear Stearns, the US investment bank, for its securitisation deals, had already securitised FFr1bn of personal loans a year ago in the first public offering of a "Fonds Commun de Créance", a form of mutual fund structure introduced into French law in 1988 to provide a framework for securitisation.

The new fund, which will include around 70,000 personal loans, will comprise FFr1.75bn of preference shares, rated AAA by the US rating agency Moody's, and FFr250m of subordinated shares to provide a reserve guaranteeing against the risk of default on the loans which make up the portfolio.

The preference shares will be publicly placed, but the subordinated shares will initially be taken up by Crédit Lyonnais, possibly for a later private placing.

Securitisation has had a slow start in France since the introduction of the new law.

The most obvious loans to securitise are mortgages, but the interest rates paid on these in France are for the most part below market rates; the law prohibits the securitisation of loans with less than two years to run, which rules out other candidates such as credit card receivables.

A question of conflicts of interest

An SEC inquiry has attracted attention, reports Patrick Harverson

AN alleged breach of US securities law in 1987 by Morgan Stanley has provoked a commissioner at the Securities and Exchange Commission, the US watchdog, into accusing the SEC of schizophrenia and raised an important question about conflicts of interest between securities firms and clients.

The Morgan Stanley case has attracted attention because of the bank's reputation as one of Wall Street's most blue-blooded investment houses and because it has opened a rift at the SEC over interpretation of commission advice by the securities industry.

The case has also shed light on the issue of how, during times of market crisis, brokerage firms reconcile their own interests with those of wealthy clients who have borrowed from the firm using stock as collateral.

These issues have surfaced because of an SEC investigation into Morgan Stanley's handling of 2.4m shares in Kaisertech, a west coast aluminium and chemical company, which were sold shortly after the stock market crash in October 1987.

The investigation led to charges being filed last month against the firm, alleging it violated securities law by selling stock owned by a client with a controlling interest in Kaisertech. Securities firms are not allowed to sell such stock – known as "control" or "restricted" stock – without SEC approval, and then only in small amounts.

Morgan Stanley is preparing to contest rigorously the charges and its defence will pose two key questions: Can a securities firm act upon its interpretation of a position taken by SEC staff in one of the commission's "no-action" letters; and can a firm quickly liquidate the margin account of a client who has defaulted by selling the client's control stock into the market?

Morgan Stanley will argue that the answer to both questions is yes, primarily because it sold the control stock partly on the basis of positions taken by SEC staff in no-action letters concerning control stock transactions.

No-action letters are widely used by lawyers keen to know how the SEC might rule on a matter of securities law; they contain answers provided by SEC staff to informal requests from outside the commission.

As Mr Bob Mullen of New York law firm Millbank explained: "No-action letters are an essential recourse for securities lawyers. They are one of the few bodies of precedent in many areas of securities law."

In the case of the Kaisertech shares, it appears the SEC not only disputes Morgan Stanley's interpretation of the relevant letters, but also its right to interpret the positions taken by SEC staff in the no-action letters, which were not addressed directly to the firm.

This shocked Morgan Stanley because the SEC had appeared content to let securities firms act upon no-action letters, whoever they were addressed to. This is where Mr Edward Fleischman comes in.

In a move that surprised industry observers, Mr Fleischman, one of the SEC's four commissioners, issued a statement lambasting the SEC for its schizophrenic treatment of no-action letters. He claims the SEC says firms cannot use the letters as decision-making tools if not directly addressed to them, yet regularly condones and encourages such use by members of the Securities Bar.

He points out the SEC conducts seminars to highlight significant decisions laid out in no-action letters, and publishes releases that interpret entire batches of no-action correspondence, all for the benefit of securities firms and their lawyers.

Mr Fleischman wants the confusion cleared up by a statement from the SEC which allows lawyers to rely on no-action letters (whether addressed to them specifically or not) as representing the current views of the SEC staff who wrote them.

Lawyers may well interpret the letters wrongly, says the commissioner, but that is up to them.

So far, the SEC has not responded to the commissioner's call and will not comment on the issue because of the impending Morgan Stanley hearing.

Mr Fleischman is pessimistic about the chances of his call being heeded. He said last week: "I don't think anyone is going to do a thing about it. Three months from now the matter will disappear like a ripple on a pond. Until, that is, someone comes back to the commission and says: 'I reasoned this from these letters.'

"And the commission says: 'Don't give us that nonsense. You had no right to reason anything from those letters.'" So where does that leave securities lawyers?

"I think that lawyers will be more anxious about their ability to use the letters predictively," said Mr Fleischman.

Those who regularly use no-action letters agree.

One lawyer who represents a leading Wall Street broking house, said: "I'll continue to rely on them, but I'll have my fingers crossed."

The implications of the case for broker/client relationships are equally serious.

Following the SEC's charges, many broking firms will question whether they should continue to allow control stock to be used as collateral by clients seeking margin accounts (which allow investors to borrow money from the firm to buy shares).

Brokerage firms are happy to see clients buying stock via margin accounts because it brings in fresh business and allows investors to diversify their portfolios.

If Morgan Stanley loses the case it would make control stock useless as collateral. A firm relies on its ability to sell collateralised stock as protection against default by a client.

If the SEC says control stock cannot be sold quickly and in one lump, even in a crisis, brokings firms will stop accepting control stock as collateral for margin accounts, even if it is against their own and their clients' interests.

This would remove a lucrative source of income for many broking firms, especially the smaller regionals, many of whose clients own controlling interests in companies and borrow funds via margin accounts (backed by control stock as collateral) to invest in the equity markets.

Unigestion sees net earnings fall 29%

By William Dullforce in Geneva

UNIGESTION, the Geneva-based finance company which took indirect control of Banca della Svizzera Italiana (BSI) – Switzerland's sixth largest commercial bank - in 1988, yesterday reported a 29 per cent fall to SFr11.9m ($8.4m) in consolidated net earnings in 1990.

The board proposes an unchanged dividend of SFr23 per registered and bearer share and SFr11.50 on each new bearer share issued in July.

Results for the first three months of 1991 had been superior to those recorded during the same period of 1990, but it was too early to draw optimistic conclusions for the entire year, Unigestion said.

During 1990 Unigestion came within the orbit of Swiss Bank Corporation (SBC) which now holds nearly half of its stock. With the help of a short-term loan from SBC, Unigestion acquired 100 per cent of Uni-Tower Holding, the company which holds 35.7 per cent of the capital and 49.9 per cent of the voting rights of BSI, by buying out its partner, Mr George Klein, the New York real estate developer. In conjunction with a capital increase SBC acquired its 49.9 per cent stake, leaving 30 per cent with the Unigestion management.

Deutsche Bank chief retires

MR Michael von Brentano, who headed Deutsche Bank Capital Markets in London, has taken early retirement. Sources close to Mr von Brentano said he decided to retire rather than return to head office in Frankfurt, writes Tracy Corrigan.

Mr von Brentano, 57, joined the bank in 1974 and became a founding managing director of Deutsche Bank Capital Markets in London in 1985.

Sapporo plans Y46.5bn warrant bond issue

By Emiko Terazono in Tokyo

SAPPORO Breweries, the Japanese brewing group, is to issue warrant bonds worth Y46.5bn later this month, with a maturity set for April 1999. This will be the first Japanese warrant bond issue since Nikon's Y20bn, launched last October.

Japanese equity issues have suffered for the past year due to the plunge in the Tokyo stock market, but Sapporo's decision could trigger other companies, which are eager to raise cash, to return to new issue financings.

The official issuance limit on Japanese companies is to be relaxed to twice the amount of net assets, as opposed to the previous formula of capital plus legal reserves.

This is expected to lead to an increased number of domestic new issues, in the light of which many companies were watching the outcome of the Sapporo Breweries launch, Daiwa Securities said.

According to figures announced by underwriting departments at 46 securities houses, domestic equity financing through stocks, convertible bonds, and warrant bonds plunged 88.8 per cent year-on-year to Y1,780bn in fiscal year 1990, due to the sharp decline in share prices.

This compares with a record Y15,830bn the previous fiscal year.

New public share offers declined sharply to 34 issues worth Y197.7bn, compared with the previous 291 issues worth Y6,250bn. Convertible bond issues plunged 88.1 per cent to Y911bn from Y7,620bn and warrant bonds totaled Y395bn, down 56.9 per cent.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Mon Apr 8 1991 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Fri Apr 5 Index No.	Thu Apr 4 Index No.	Wed Apr 3 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (187)	881.70	-0.6	11.25	5.48	10.89	9.61	886.64	887.71	885.89	847.47
2	Building Materials (24)	1140.33	-0.4	11.64	5.42	10.58	5.50	1145.03	1150.93	1152.22	1041.43
3	Contracting, Construction (31)	1396.13	-1.2	10.61	5.66	12.18	15.34	1413.40	1423.32	1411.13	1375.45
4	Electricals (10)	2424.55	-1.6	11.04	5.52	11.16	13.27	2463.13	2462.53	2495.28	2422.84
5	Electronics (26)	1863.84	+0.5	8.43	4.79	15.78	3.12	1854.97	1867.87	1859.04	1771.65
6	Engineering-Aerospace (8)	463.55	-0.6	15.04	5.37	8.02	8.86	466.42	461.78	460.19	436.40
7	Engineering-General (47)	467.31	-0.1	12.58	5.61	9.58	6.28	468.00	465.75	463.85	464.80
8	Metals and Metal Forming (8)	506.16	-0.6	18.02	6.82	6.85	0.59	509.10	501.94	509.18	478.93
9	Motors (13)	348.79	-1.2	12.69	6.84	9.25	6.55	353.11	354.59	356.45	347.50
10	Other Industrial Materials (20)	1574.36	-0.8	9.12	5.14	12.95	28.92	1586.61	1589.92	1577.48	1558.00
21	CONSUMER GROUP (185)	1472.64	-0.6	8.32	3.62	14.90	9.69	1480.99	1469.93	1463.20	1208.23
22	Brewers and Distillers (22)	1779.89	-0.8	9.03	3.64	13.64	14.76	1794.58	1793.87	1793.77	1400.64
25	Food Manufacturing (20)	1208.53	-0.2	9.37	4.03	13.14	15.95	1210.94	1201.00	1196.70	1055.43
26	Food Retailing (16)	2824.07	+0.5	7.75	2.75	16.87	4.34	2810.49	2771.24	2700.48	2241.72
27	Health and Household (21)	3266.59	-1.0	6.22	2.58	19.12	17.97	3300.52	3269.59	3277.89	2516.53
29	Hotels and Leisure (21)	1376.41	-1.0	9.94	5.01	11.85	9.39	1390.53	1383.48	1387.93	1363.40
30	Media (24)	1495.03	-0.2	9.26	4.52	13.60	14.07	1497.42	1498.63	1496.40	0.00
31	Packaging, Paper & Printing (16)	677.86	-0.3	8.24	4.86	15.18	5.03	679.90	680.02	677.27	565.64
34	Stores (34)	926.65	-0.6	8.97	3.94	14.46	2.21	932.43	916.59	904.18	739.15
35	Textiles (11)	551.11	-0.9	9.63	5.84	13.10	2.61	556.17	562.33	563.46	488.81
40	OTHER GROUPS (108)	1225.86	-0.2	9.82	4.92	12.46	8.15	1228.91	1219.33	1219.25	1128.95
41	Business Services (13)	1217.93	-0.8	11.04	4.80	11.09	2.85	1227.74	1219.16	1225.78	0.00
42	Chemicals (21)	1274.55	-0.7	9.16	5.61	12.52	23.53	1284.01	1275.90	1278.90	1191.42
43	Conglomerates (10)	1573.24	-0.8	10.66	6.53	11.21	10.66	1585.53	1578.53	1594.48	1596.46
44	Transport (14)	2215.34	-0.4	11.16	4.66	10.92	6.97	2225.08	2218.87	2242.31	2167.60
45	Electricity (14)	1154.71	....	12.00	5.78	10.44	0.00	1154.89	1152.31	1149.27	0.00
46	Telephone Networks(4)	1460.80	+0.4	9.10	3.42	14.30	0.00	1454.88	1436.32	1425.34	1110.44
47	Water(10)	2503.23	....	13.54	5.60	8.25	39.69	2503.36	2467.39	2457.37	1886.02
48	Miscellaneous (22)	1937.38	-0.5	6.24	4.81	20.39	21.39	1946.79	1933.06	1927.01	1824.13
49	INDUSTRIAL GROUP (480)	1253.63	-0.5	9.40	4.42	13.09	9.39	1259.44	1252.15	1248.87	1106.93
51	Oil & Gas (20)	2391.72	-0.2	10.82	5.57	12.06	38.85	2396.66	2369.72	2358.38	2264.28
59	500 SHARE INDEX (500)	1350.79	-0.4	9.58	4.56	12.95	11.66	1356.60	1347.81	1343.91	1203.38
61	FINANCIAL GROUP (97)	838.51	-1.4	-	5.62	-	15.07	850.47	840.90	839.43	801.82
62	Banks (9)	930.08	-1.7	7.88	5.91	18.28	21.93	946.49	934.68	931.30	870.30
65	Insurance (Life) (7)	1557.19	-1.1	-	5.30	-	38.87	1573.75	1540.15	1540.62	1283.66
66	Insurance (Composite) (6)	704.24	-1.8	-	6.23	-	11.60	717.37	708.90	710.91	642.86
67	Insurance (Brokers) (8)	1195.67	-0.6	6.13	5.62	21.28	20.10	1202.38	1187.56	1173.80	1035.17
68	Merchant Banks (7)	433.16	....	-	4.68	-	3.90	433.37	434.19	436.77	457.33
69	Property (40)	1023.54	-1.3	6.58	4.57	20.55	3.69	1036.72	1031.91	1028.02	1158.98
70	Other Financial (20)	293.49	-0.3	9.51	6.15	12.96	3.59	294.39	293.88	294.49	315.46
71	Investment Trusts (69)	1213.40	-0.5	-	3.39	-	10.52	1220.06	1213.77	1214.00	1138.33
99	ALL-SHARE INDEX (666)	1225.31	-0.6	-	4.68	-	12.18	1232.32	1223.55	1220.31	1105.03

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 5	Apr 4	Apr 3	Apr 2	Mar 28	Year ago
FT-SE 100 SHARE INDEX‡	2529.9	-15.4	2548.1	2520.0	2545.3	2524.5	2519.1	2488.3	2456.5	2227.7

FIXED INTEREST

PRICE INDICES	Mon Apr 8	Day's change %	Fri Apr 5	Accrued Interest	xd adj. 1991 to date
British Government					

	AVERAGE GROSS REDEMPTION YIELDS		Mon Apr 8	Fri Apr 5	Year ago (approx.)
	British Government				
1	Low	5 years	9.22	9.31	11.68
2	Coupons	15 years	9.53	9.57	11.21
3	(0%-7¾%)	20 years	9.63	9.66	11.10
4	Medium	5 years	10.13	10.13	12.76

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	36	12	36
Corporations, Dominion and Foreign Bonds	4	1	15
Industrials	189	467	889
Financial and Properties	76	155	515
Oils	28	17	47
Plantations	0	0	10
Mines	43	25	94
Others	56	60	52
Totals	432	737	1,658

LONDON RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
256	Nil	-	50pm	50pm	BPP 10p	50pm	
800	Nil	-	155pm	94pm	Bass	143pm	-11
105	Nil	-	27pm	13pm	Cookson Group	22pm	+2
155	Nil	-	39pm	32pm	Hartstone Grp. 10p	39pm	
90	Nil	-	17pm	13pm	Ibstock Johnsen	13pm	-3
A$5.25	Nil	-	21pm	13pm	Nat. Australia Bank A$1	13pm	-2
238	Nil	-	37pm	26pm	Persimmon 10p	36pm	
510	Nil	-	89pm	56pm	Redland	82pm	-5
10	Nil	-	11½pm	5pm	Saatchi & Saatchi 10p	9½pm	[illegible]
200	Nil	-	35pm	26pm	Sage Group 5p	26pm	-5
360	Nil	-	55pm	48pm	Wilson Bowden	49pm	-5

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. e Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ◊ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ◊ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings Apr. 8
- Last Dealings Apr. 19
- Last Declarations July 11
- For settlement July 22

For rate indications see end of London Share Service

Calls: ADT, Berisford, Burns-Anderson, Cowie (T.), Erskine House, Eurotunnel Ord., Ferranti, Geers Gross, MB-Caradon, Mowlem, Perry Grp., Premier, Saatchi & Saatchi, Scot. Heritable, Stakis, Strong & Fisher, Sutherland Grp., Tusker, Whitegate. Puts: ADT, Rainers, Tate & Lyle.

LONDON TRADED OPTIONS

Option		CALLS Apr	Jul	Oct	PUTS Apr	Jul	Oct
Allid Lyons	500	22	36	52	5	20	26
Sainsbury (*382)	360	26	35	47	3	10	13
	390	6	17	28	14	22	25
Shell Trans. (*488)	460	32	52	60	4	9	16
	500	7	26	35	18	24	31
Storehouse (*118)	110	11	14	19	2	6	9
	120	5	10	14	5	10	13
Trafalgar (*255)	240	21	28	38	4	17	22
	260	8	18	28	12	27	32

April 8 Total Contracts 24,300. Calls 17,834 Puts 6,466. FT-SE Index Calls 3,731 Puts 1,811. Euro FT-SE Calls 158 Puts 169. *Underlying security price. † Long dated expiry months.

UK COMPANY NEWS

Maxwell joins French in satellite services venture

By Raymond Snoddy

MAXWELL Communication Corporation has set up a multi-million pound joint venture with FCR, the overseas arm of France Telecom, the French telephone company, to tackle the satellite services market in the UK and continental Europe.

The venture, expected to be announced today, will be France Telecom's largest involvement in the UK.

The new company, to be based in London, will compete in the market for everything from professional services for broadcasters to business television and data transmission.

Maxwell Satellite Communications won one of the six special satellite services licences awarded by the Department of Trade and Industry in 1988. The licence allows the holder to compete with British Telecom and Mercury Communications for the provision of specialist satellite services.

Another licence-holder, British Aerospace Communications, is already providing a wide range of services in the UK and Germany. Apart from data transmission and business television, BAe has launched a service providing rugby, both union and league, and boxing to pubs in the north of England and using satellites to link medical schools for postgraduate education.

The Maxwell joint venture with France Cables and Radio will be known as Maxwell Satellite Communications and Mr Robert Maxwell will be chairman.

FCR has a staff of about 700 and turnover of £130m. The managing director of the venture will be Mr Julian Costley, who launched a special channel for the computer companies of Europe on British Satellite Broadcasting. The service ended after the November merger of BSB and Sky Television.

Such specialist business channels could eventually be provided by the new joint venture although in the shorter term the emphasis will be more on creating satellite networks across Europe for companies wanting to communicate between national offices.

Compared with the US, corporate satellite communications is still in its infancy but according to some estimates the European market could be worth up to £250m a year within five years.

Robert Maxwell: chairman of new joint venture

Utd Friendly declines to £18.8m

Taxable profits at United Friendly Insurance slipped from £20.7m to £18.8m in 1990, let down mainly by the general business account which recorded losses of £4.9m, against profits of £2.4m.

The insurance underwriter maintained that the year was successful despite difficulties caused by the adverse weather in the early months. The total dividend is raised to 10.25p (8.2p) via a 6.75p final.

Life profits continued strongly with a 17 per cent rise to £9.3m. New life annual premiums were up 20 per cent to £20.4m, thanks mainly to the growth in personal pensions, and total life premiums advanced 11 per cent to £155.8m.

Soft going at Chepstow

Taxable profits at The Chepstow Racecourse took a tumble, from £66,642 to £47,445, over 1990. Turnover, however, improved some 30 per cent from £1.25m to £1.62m.

Earnings dipped to 8.28p (10.67p) while the single distribution is maintained at 1p.

Kelt bankers agree to deferment

By Clare Pearson

BANKERS TO Kelt Energy have yet again agreed that the debt-encumbered oil exploration company may defer payments of principal and interest on its borrowings, amounting to more than £150m.

Kelt said yesterday that it was "at an advanced stage of discussions" with a view to restructuring its finances and capital and its bankers had agreed to the deferment in the meantime.

The announcement came after Kelt had once again missed a deadline for interest payments on Friday. Kelt's long-running financial difficulties date back to 1988, when the company made a leveraged takeover of fellow oil independent Carless.

Indications yesterday were that it would be months rather weeks before negotiations with the banking syndicate headed by American Express on the debt and capital restructuring might come to a conclusion.

The reconstruction is expected to include a large element of debt-equity conversion.

NM Rothschild was recently appointed as financial adviser to Kelt where Mr Jock Green-Armytage, the City financier, resigned as chief executive at the end of last month.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Chepstow Race	fin	1	June 6	1	1	1
Dewhirst	fin	0.35	July 1	0.86	0.64	1.15
Gowrings	fin	1	June 5	3.375	3.25	5.625
Fortnum & Mason	fin	84	June 28	77	90	83
Highland Dist	int	1.38	June 3	1.2	-	4.8
Home Counties	fin	5.5	May 17	5.5	8.25	8
ISA Intl	fin	0.874	-	0.76	1.288	1.12
Magnetic Mats §	int	0.9†	May 13	0.9	-	3
MB-Caradon	fin	5.75	May 17	4.375	8.5	6.375‡
Metsec §	fin	3.7	May 31	3.45	6.4†	5.8
N Brit Canadian	fin	8.75	July 1	7.5	12.25	10.5
Pearson	fin	12.5	June 14	12.5	23.25	21.5
S'field-Reeve §	fin	2	May 31	3	3	4
Sykes-Pickavant§	fin	3.5	June 10	3.5	5.75	5.75
Utd Friendly Ins	fin	6.75	May 17	5.4	10.25	8.2

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‡For nine months.

Aerospace arm for Courtaulds

Courtaulds, the international speciality materials company, has combined three operations into a new aerospace subsidiary, to be called Courtaulds Aerospace and with turnover of some £160m, writes Steven Watkins.

The three offshoots are PRC (Product Research & Chemical Corp, which makes sealants and adhesives), DeSoto and DeSoto Titanine (aerospace coatings), and Courtaulds Advanced Materials (fibre reinforced polymers). CA is also to co-ordinate the aerospace marketing of Courtaulds Coatings' products.

Geared up for an expensive act of faith

John Griffiths on the tough times facing motor component makers

A SOMBRE lesson has been hammered into the UK's major motor components manufacturers during the past year.

It is that better products, higher productivity, cost-cutting, globalisation and other measures pursued so relentlessly since the last motor industry recession ten years ago provide a means to soften the landing – not to defy gravity.

From 1990 accounts it has become plain that the fortunes of the UK component industry "majors" – BBA, GKN, Lucas Industries, T&N, Pilkington and BTR, each with annual motor industry sales of more than £500m – have moved in parallel with the downturn now afflicting car, truck and replacement parts sales in most markets except Germany, and particularly in the UK and North America.

Car and truck market falls of nearly a quarter so far this year in the UK and Spain are among the sharpest on record.

For suppliers like GKN who sought to escape over-dependence on the deteriorating UK vehicle industry in the early 1980s by investing heavily in North America, that market, too, is proving problematical. The 5 per cent slide in North American car sales last year followed a near-7 per cent drop in 1989. In the first two months of this year, US sales were down 19.6 per cent on a year ago.

But component sales come as much from the aftermarket as original equipment and the recession has badly hit retail parts and accessories outlets and motor parts wholesalers as well.

Thus, financial pressures have mounted on component suppliers on all fronts as margins have become squeezed by the sharp fall-off in sales volumes.

The swift turning-off of the supply taps by their main customers has not provoked the excess stocks and related crises of the past. And, they maintain, they will have both the capacity and the systems in place to respond quickly to the upsurge in demand they hope will come from the second half onwards.

Despite reduced profit figures, the harsh conditions of the past year or so have fulfilled a perversely useful function, in providing a litmus test of all the 1980s restructuring initiatives.

For until last year the European motor industry had experienced eight years of growth – the longest such period in the industry's history. In such a climate, flaws are readily obscured.

In the end, for most of the UK "big six", stock markets had braced for the worst but got better-than-expected. In most cases, share prices ended "results day" higher than at the start.

Lucas Industries blamed the motors sector almost entirely for its 31 per cent drop in interim pre-tax profits to £55.3m. Automotive turnover fell only slightly, from £742.8m to £725.7m, but the squeeze on margins was reflected in operating profit sinking from £51.5m to £33.4m.

Mr Tony Gill, chairman and chief executive, disclosing that 900 jobs had gone in the first half, mainly in the UK, has warned that another 1,800 will be gone by the end of this year.

In continental Europe, the benefits Lucas has been receiving from injector and other supplies into French and German car markets are being offset by downturns in others – notably Italy and Spain.

The "big six" have shaken out around 5,000 jobs over the past 12 months, with warnings that 1991 will see several thousand more disappear.

It looks like a re-run of the early 1980s motor industry recession in the UK. That led to a string of company closures and takeovers, and exposed an insular, complacent industry riddled with inefficient management and labour practices, and poorly organised and under-resourced product development programmes. Some household names, such as Smiths Industries, decided to abandon automotive business altogether.

Yet Mr David Lees, chairman of GKN, Mr Colin Hope, T&N's chairman, and others insist that their companies are in far better shape than a decade ago – and that this time around the rapid response mechanisms and other efficiencies built so painfully into their structures during the 1980s are paying off.

GKN, embracing both automotive and industrial services, could blame both vehicle and construction market slumps for its 19.9 per cent fall in its pre-tax profits from £214.8m to £172m in 1990.

Mr Lees, too, has warned that at least another 1,000 redundancies are to be expected in the next year – most of them concentrated in the automotive sector.

As with Lucas, trading profits contracted by substantially more than turnover, with trading margins nearly halving in the second half of the year from 7.5 per cent to 4.8 per cent.

It was T&N, however, which took the brunt of job losses, some 2,400 disappearing last year – again, mostly in the UK – at a cost to T&N of £14m.

Those costs were a primary factor in T&N's own 16 per cent pre-tax profits drop to £70.5m. Again, the pressure on margins is starkly in evidence, for operating profit in the automotive sector, which accounts for more than half of T&N's activities – they embrace also engineering and construction – fell from £71.3m to £44.8m on turnover which actually rose from £734m to £777m.

But, according to Mr Hope, it is a measure of the more efficient shape that T&N is getting into that capacity has not been reduced even by such relatively large job losses, and will not be significantly affected by the further 600 jobs which he expects to go this year. Some 16,000 of T&N's total 42,000 work force is in the UK.

BBA, which specialises in friction materials, brakes and clutches, also saw its overall pre-tax profits fall last year, by 8.5 per cent to £75.1m, on turnover down 1.2 per cent to £1.23bn. But once again, automotive operations – which account for just over half the total – bore the brunt, with operating profits down by just over a third and 1,300 jobs cuts, mostly in the UK and Australia.

Dr John White, BBA's group managing director, maintains that BBA has been able to continuously reduce its cost base in line with actual and anticipated demand in all its main automotive markets, now spread around the world.

Even so, BBA is now developing a markedly more pragmatic approach to what is once again a highly volatile world automotive sector. Dr White is now seeking to expand BBA's non-automotive activities to 60 per cent of operating profits in the near term, rising to 75 per cent as a strategic objective.

One of the most international of the "big six", Pilkington, provides some of the clearest evidence of how closely the suppliers' fortunes are linked to those of vehicle makers. It has large or dominant market shares in the UK, the US, Canada, Scandinavia, Germany and other key markets – but most of them are now in recession, and profits are expected to drop from £314m to below £200m, when the latest year's results are announced shortly.

Two important conclusions are emerging from the current depressed situation surrounding the sector.

One is that, in terms of the business available, the volume and extent of resources being sunk into product and productivity improvement by the majors is paying off.

With smaller, weaker businesses having fallen steadily by the wayside, a study undertaken for the European Commission by the Boston Consulting Group and PRS Consulting International shows that 60 per cent of UK employment in the sector is now accounted for by just 7 per cent of the companies.

The trend was reinforced yesterday with the announcement by Lucas that it has won prototype contracts to supply brakes, batteries and wiring harnesses to Toyota's UK car plant in Derbyshire, following in the footsteps of GKN and Pilkington's Triplex subsidiary.

These contracts, and other major, long-term supply deals being negotiated with other vehicle manufacturers, require an expensive act of faith by the big component groups. For they are carrying the financial burden of designing and developing increasingly more complex component groups, leaving the vehicle makers increasingly in the role of assemblers.

The reward for such commitment should be secure, long-term contracts on a "partnership" basis rather than the adversarial relationships of the past.

Throughout the long car market boom, the car makers paid much lip service to the concept, insisting suppliers' profitability would have to be protected.

The squeeze on margins in the past 12 months suggests that suppliers take too much reassurance from the vehicle makers at their peril.

But both Mr Hope and Mr Trevor Bonner, chief executive of GKN's automotive operations, insist that the concept itself is holding good.

"Yes, we are facing a very tough round of price negotiations for the future. But we are not facing pressure to cut prices", says Mr Bonner.

"The partnership relationship continues to exist – the only debate is over who gets what share..."

WESTERN EUROPEAN AUTOMOTIVE COMPONENTS INDUSTRY

Company	Autocomponent turnover Ecu m (1988)	Percentage automotive components	Country of ultimate ownership
Bosch	3,421	54	Germany
Valeo	2,340	100	France
Magnetti Marelli	1,950	100	Italy
GM-ACG (Europe)	1,669	100	US/France
Lucas Automotive	1,810	100	UK
GKN	1,645	58	UK
Teves	1,173	100	US/Germany
Pilkington	1,149	33	UK
BBA Group	1,042	69	UK
T&N	955	61	UK
Allied-Signal*	918	38	US
ZF	896	39	Germany
VDO	771	80	Germany
BTR	675	64	UK

*Excludes Bendix Electronics — Source: PRS Analysis

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends.

TODAY

Interims- Shandwick, Stanhope Properties, Wardle Storeys, Wescol.

Finals- Alexandra Workwear, Blockleys, Boosey & Hawkes, Bostrom, Bourne End Properties, Britannia.Centre Restaurants, Erith, Fairhaven Intl, Mowlem (John), Richards, Savoy Hotel, Sherwood Computer Services, Thompson Clive Invs, Total Compagnie, Tudor, UK Land.

FUTURE DATES

Interims-

First Leisure	June 12
Fisher (Albert)	Apr. 16

Finals-

Associated Farmers	Apr. 12
Austin Reed	Apr. 23
BAA	June 14
Bentalls	Apr. 17
Boot (Henry)	Apr. 22
CSR	June 3
Dagenham Motors	Apr. 10
Exploration Co	Apr. 16
Finlay Packaging	Apr. 15
Hammerson Prop Inv & Dev	Apr. 19
Hartons	Apr. 16
Helene	Apr. 12
Micro Focus	Apr. 11
OS	Apr. 23
Russell (Alexander)	Apr. 15
Stylo	Apr. 10
Ward Group	Apr. 23
Whatman	Apr. 18
Wembley	Apr. 12

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.29	16.58	16.58
0100	16.27	16.84	16.84
0130	16.34	18.23	19.17
0200	19.26	18.45	19.39
0230	22.78	18.23	19.17
0300	22.78	16.58	16.58
0330	18.88	15.68	15.68
0400	16.74	15.22	15.22
0430	16.60	15.00	16.00
0500	16.34	14.92	14.92
0530	16.33	15.00	15.00
0600	16.29	15.68	15.68
0630	16.60	15.92	15.92
0700	19.64	18.16	19.14
0730	19.64	18.38	19.35
0800	20.98	18.67	19.65
0830	23.79	20.39	21.43
0900	23.61	20.39	21.42
0930	23.79	20.39	21.42
1000	23.77	20.39	21.41
1030	23.78	20.39	21.42
1100	21.89	20.39	21.42
1130	21.81	20.39	21.42
1200	21.88	20.87	21.92
1230	21.88	24.48	25.63
1300	21.87	24.48	25.64
1330	20.93	20.39	21.42
1400	20.81	19.57	20.61
1430	20.81	19.18	20.17
1500	20.81	24.20	25.33
1530	20.35	24.20	25.33
1600	20.35	22.95	24.04
1630	23.41	22.95	24.00
1700	24.11	20.08	21.02
1730	24.11	24.20	25.27
1800	24.11	24.20	25.28
1830	19.81	21.27	22.27
1900	19.81	24.83	25.91
1930	18.85	24.83	25.91
2000	16.69	24.83	25.93
2030	23.41	24.80	25.71
2100	23.43	24.60	25.72
2130	23.43	20.06	21.06
2200	23.43	18.89	19.86
2230	19.81	18.67	19.63
2300	19.64	16.92	15.92
2330	16.50	15.16	15.16
2400	16.29	14.78	14.78

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.68/MWh becomes 1.668p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

UK COMPANY NEWS

Europa to become a battlefield?

Kenneth Gooding outlines the respective strengths and policies of the two factions vying for control of the mining finance company

TOMORROW'S annual meeting of Europa Minerals, the mining finance company where rebel shareholders are attempting to take over the board, could be chaotic.

The dissident shareholders, led by Mr Alastair Holberton, Europa's former managing director, with the support of Abbey Life Assurance, which holds 9.8 per cent, will attempt to replace three directors up for re-election with their own nominees.

Mr Holberton said last night that his group had taken counsel's advice and the board's resolutions to re-elect Mr Arthur Smith, the new chief executive, and Mr Kenneth Lane and Mr Robert Rice, directors, were invalid.

The board earlier ruled out a resolution by the rebels to appoint Mr Nicholas Elliott as chairman because proper notice had not been given.

"It seems the only directors who can legally be elected are myself and Mr Hubbard," said Mr Holberton last night. Mr Robert Hubbard controls about 4 per cent of Europa.

Eventually the dispute will be settled by institutional shareholders because 37 of them hold 92.7 per cent of the issued capital.

They include M&G (10.5 per cent), Standard Life (9 per cent), Kleinwort Benson (8.2 per cent), J Henry Schroder Wragg (6.9 per cent), and Morgan Grenfell (5.7 per cent).

Last night Europa's board was said to be "very confident" about the likely outcome of the annual meeting after examining proxy votes. But it is clear that some of the large shareholders will hold back until the meeting itself to cast their votes.

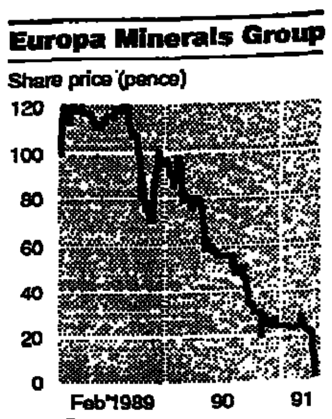
Europa was floated at 100p per share in February 1989. Last night the shares stood at 19½p.

Last month the board announced it would sell or close its three UK coal mines, reduce staff levels and relocate the head office. Furthermore, all the directors have agreed to substantial pay cuts. Head office costs, which had soared to £3m, would be reduced to less than £500,000.

Mr David Hood stood down as chairman but remained on the board.

Europa Minerals Group

Share price (pence)



Source: Datastream

The rebels suggested the changes were belated and did not address the company's core problems.

Mr Holberton, who resigned last July after seven months as managing director, said he left after fundamental policy disagreements, including his belief that Europa should withdraw from the UK coal businesses, cut head office costs and concentrate on building on its Australian interests, the chief of which is a 42 per cent stake in the Burmine gold mining company.

Mr Holberton said he was claiming damages totalling £268,000 from Europa but, if he was returned as managing director, much of the claim would be dropped. The matter would be referred to independent legal counsel and then considered by an independent committee of the board whose ruling he would be bound to accept.

Tomorrow's meeting could turn out to be only a preliminary skirmish.

The rebels have also requisitioned an extraordinary meeting to put their case in detail and some of the institutional investors might well hold fire until then before finally committing their votes.

In the meantime, market rumours suggest that 1m Europa shares, nearly 2.5 per cent of the issued capital, are at present on offer.

If this is true, it implies that one institution lacks confidence in either side in this particularly bitter dispute.

NEWS DIGEST

Home Counties downturn

HOME COUNTIES Newspaper Holdings, the publisher of 21 free and paid-for titles in London and the south east of England, suffered a sharp drop in profits, from £4.27m to £2.89m, in 1990, writes Raymond Snoddy.

Mr Bill Coppen-Gardner, managing director, said the fall was entirely due to the advertising recession. Everything from property and situations vacant to car advertisements had been severely hit.

"I can't see much of an upturn before mid-1992," said Mr Coppen-Gardner who emphasised that he was optimistic about medium term prospects for the company whose titles include the Hampstead and Highgate Express and the South Essex Recorder series.

Group turnover was £20.49m (£16.9m) but earnings per share fell from 27.7p to 18.5p. A maintained final dividend of 5.5p contributes towards a total of 8.25p (8p).

The newspaper group is looking at ways of maximising revenues and cutting costs. Printing contracts will be looked at and there will be " manpower savings."

Mr Coppen-Gardner declined to give details yesterday but it is likely that there some posts will be lost in the group at least through non-replacement and early retirement.

F&C Eurotrust cash call

F&C Eurotrust yesterday launched its second rights issue in the last two years, taking advantage of the premium at which its shares stand to its net asset value.

The specialist European trust is raising £18.7m via a 1-for-4 rights issue at 157p per share, slightly higher than the net asset value per share of 156.2p.

Most investment trusts normally trade at a discount to net asset value and thus cannot make rights issues without diluting the nav per share. However, the discount to assets has narrowed across the sector in the recent stock market rally.

F&C Eurotrust has traded between a 17 per cent premium and a 6 per cent discount since its last rights issue in October 1989. One factor in eliminating the discount has been the trust's success in attracting private investors, who own 60 per cent of the equity.

Mr Eric Elstob, deputy chairman, said that the trust had aimed to get the issue away at a profitable price for shareholders, without hitting the peak of the European stock market cycle. The shares closed 11p lower at 162p yesterday.

Marginal rise at Fortnum & Mason

Fortnum & Mason, the Piccadilly department store, yesterday reported a marginal increase in taxable profits for the 12 months to January 26 1991.

However, the improvement – from £1.96m to £2.06m – masked a severe contraction in sales over the second six months. "For the first time in many years, sales in the all-important second half had failed to record any gain over the previous year," said Mr Garry Weston chairman.

After an 18 per cent rise in sales in the first half, reflecting buoyant exports, turnover for the full year, at £24.84m (£23.12m), was ahead by just over 7 per cent.

Earnings per £1 stock unit rose from 294p to 311p and a proposed final dividend of 84p lifts the total by 7p to 90p.

Metsec dips 8% to £4.15m

Metsec, the USM-quoted group which serves the building products, electronic products, engineering and construction industries, experienced an 8 per cent fall in profits to £4.15m pre-tax for 1990.

Profits in the second half declined from £2.34m to £1.85m.

The group, busy on the takeover front during the year, increased turnover by some 5 per cent to £83.23m.

A recommended final dividend of 3.7p makes a 6.4p (5.8p) total.

UK side accounts for fall at ISA Intl

In 1990 and for the first time since it became a public company, ISA International, the computer consumables distributor, failed to achieve record profits – the taxable figure stood at £2.83m, down 13 per cent from 1989's £3.27m.

Turnover leapt to £71.44m (£43.83m), although the directors stressed that short-term turnover gains were being purposely sacrificed to protect against bad debts and to strengthen the balance sheet by reducing borrowings.

Operating profits were flat at £3.48m (£3.44m) and interest payable and similar charges took £672,000 (£181,000). Earnings worked through at 5.84p (7.08p) and a proposed final dividend of 0.874p makes a total of 1.288p (1.12p).

Sykes-Pickavant declines to £1.2m

Sykes-Pickavant Group, the manufacturer and distributor of automotive, industrial and DIY tools, fell 25 per cent from £1.58m to £1.19m pre-tax in 1990.

Operating profits were 23 per cent lower at £1.38m (£1.79m) reflecting reduced margins, additional costs incurred in developing the diagnostics business, and the integration of the Vitrex operation, according to Mr Ray Way, chairman.

Turnover advanced by more than £1m to £18.15m and earnings fell to 8.33p (10.96p) per share. A same-again final dividend of 3.5p is proposed for a maintained 5.75p total.

North British Canadian assets fall

The North British Canadian Investment Company reported a net asset value of 364.9p per share as at February 28 1991 – a decline of some 11 per cent over the year.

Net revenue at the trust – which despite its title has 95 per cent of its investments in UK equities – rose from £731,060 to £837,284, for earnings of 12.4p (10.83p) per share.

A final dividend of 8.75p is recommended, lifting the total from 10.5p to 12.25p. A 3-for-1 scrip issue is also proposed.

Modest downturn at Severfield-Reeve

Despite the downturn in the construction industry, Severfield-Reeve, the USM-quoted structural steel specialist, saw pre-tax profits fall by only £180,000 to £1.86m in 1990.

However, the company felt it prudent to reduce the final dividend to a recommended 2p for a 3p (4p) total.

The profits slip would have been almost negligible, had it not been for a £159,000 provision for bad debts taken as an exceptional item. Turnover rose 30 per cent to £21.15m (£15.67m) and interest took more at £412,000 (£281,000).

Mr John Reeve, chairman, said that the pressure on operating margins had tightened in the second half.

Overseas thirst for Grouse lifts Highland Distilleries

By Philip Rawstorne

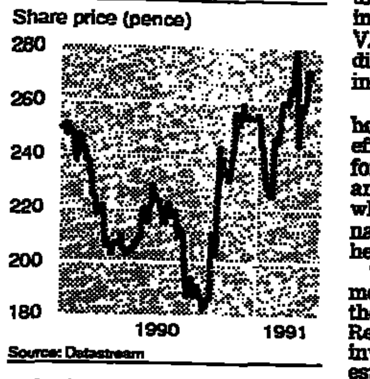
STRONG GROWTH in export sales of Famous Grouse whisky helped lift Highland Distilleries' first half pre-tax profits by 19 per cent from £12.72m to £15.08m.

Turnover for the six months to February 28 was 14 per cent ahead at £95.62m (£83.88m).

Volume sales of Famous Grouse rose by more than 20 per cent in overseas markets.

The extension of the distribution partnership with Remy Cointreau brought strong growth in the Netherlands and Thailand, as well as in France. Good progress was also made in the US, where IDV is the distributor, and in Italy (Moet-Hennessy).

In the UK, the brand registered a 3 per cent increase in volume sales against a decline of 4 per cent for the Scotch industry as a whole.



An increased contribution to profits came from sales of mature whisky to established blending customers; but sales of new whisky were marginally lower than last year.

Mr Brian Ivory, managing director, said that the Budget increases in excise duty and VAT would make trading conditions in the UK more difficult in the second half.

"It is difficult to understand how the government can argue effectively for fairer treatment for Scotch whisky in the EC and elsewhere in the world when it continues to discriminate against Scotch in the UK" he said.

The group's £76m investment in November in Orpar, the controlling shareholder of Remy Cointreau, raised total investment income and interest received to £3.28m (£2.4m) but interest payable leapt from £105,000 to £1.13m.

The interim dividend is lifted to 1.38p (1.2p), payable from earnings per share up 19 per cent from 6.6p to 7.9p.

Barclays trims its stake in Brent Walker

By Maggie Urry

Brent Walker, the leisure group, said yesterday that Barclays Bank had reduced its stake in the company to below the 3 per cent notifiable level.

The group said that Barclays' stake had been slightly above 3 per cent and it did not know by how much it had been reduced. Brent Walker shares yesterday slipped 3p to 66p.

Brent Walker, which underwent a refinancing last autumn, is still working on a restructuring of its liabilities on a long-term basis. It is expected to report results for 1990 in the first half of May, although a definite date has yet to be fixed.

Bankers close to the group said that lenders to the company were taking a relaxed attitude to the timetable for the restructuring. Large asset sales are thought to be unlikely in the current business environment.

Brent Walker is still awaiting the completion of a report on the company by Touche Ross, the accountants, and a revaluation of the group's properties.

Gowrings lapses into red as interest charges bite

By Jane Fuller

A DISMAL 12 months for motor trading and heavy interest payments sent Gowrings to a pre-tax loss of £432,000 in 1990, compared with profits of £1.3m in 1989 – the year the company came to the main market.

While turnover slipped to £59.87m (£61.75m), trading profit was down 87 per cent at £274,000 (£2.09m). Interest charges remained at more than £780,000, causing the loss.

In spite of extraordinary gains on business disposals, notably a £702,000 profit on selling the Sandford Springs golf club, the dividend was partly paid out of reserves.

The final is cut to 1p (3.375p), making a total of 3.25p (5.625p). Losses per share were 4.5p (earnings of 13p).

Fleetlease, the contract hire subsidiary, was sold for an initial £140,000 only one year after Gowrings purchased the outstanding 75 per cent stake for £500,000. The business incurred a £106,000 loss in 1990 because of increases in maintenance and relief vehicle costs.

Gowrings said the main benefit of the disposals was to reduce borrowings by £24m to £5.3m, representing gearing of 32 per cent compared with 100 per cent at end-December 1989.

Sales of new Ford cars were 30 per cent down and used car sales were flat. Overall, the motor division plummeted to a trading loss of £190,000 compared with a profit of £1m, on sales of £54.5m (£56.7m). The group put the dealerships up for sale last year, but has withdrawn them from the market.

The leisure division, which includes four Burger King outlets and mobile home parks, saw trading profit slump to £160,000 (£570,000). Since the year-end, the group has paid an initial £400,000 for the Rocco's Pizza delivery business.

The sale of a commercial radio stake raised £305,000 (£485,000). Gowrings' only remaining investment of any size is in Newbury race course and it said that was under review.

The share price was unchanged at 40p, a quarter of the flotation price at June 1989.

Dewhirst cuts dividend as profits drop to £3m

By Alice Rawsthorn

DEWHIRST GROUP yesterday announced it is cutting its dividend for the first time in its 72 years as a public company after a fall in pre-tax profits from £5.51m to £3.02m for the year to January 18.

Mr Tim Dewhirst, chief executive of the clothing group, said the decision to cut the dividend had "not been taken lightly" but that the cut was unavoidable because "as a manufacturing company we have to be able to invest in our business."

A proposed final dividend of 0.35p (0.86p) reduces the total to 0.64p (1.15p). Earnings per share fell to 2.19p (3.88p). The shares slipped 1p to 23p on the announcement yesterday.

Dewhirst, which is one of the biggest suppliers of clothing to Marks and Spencer, has, like other clothing companies, been hit by the slowdown in consumer spending.

The group has responded by rationalising its interests – reducing its workforce by 500 to 4,500. The cost of rationalisation was expressed as an extraordinary item of £1.85m, more than half of which concerned the sale of John Graham Shows, a men's footwear firm bought in 1987.

Profits declined in every division, except for toiletries. Operating profits fell to £3.8m (£5.67m) on turnover of £121.56m (£102.45m). Interest charges amounted to £920,000 (£409,000) on average gearing of 20 per cent.

So far, said Mr Dewhirst, there had been no sign of a recovery in demand this year, although the downturn did seem to have "bottomed out". The group is now negotiating with its customers over autumn contracts in the light of the recent rise in VAT rates.

Originally Dewhirst had expected to benefit from the fall in the wool price this autumn, when the clothing market is expected to begin its recovery. However, any gains from lower wool prices could now be countered by the rise in VAT.

Mr Dewhirst said it was impossible to predict the outlook for the full year until the uncertainty over VAT was resolved.

Knights move around chequered board

Next May Vickers will have a new top team. **Andrew Baxter** reports

SIR DAVID Plastow is to retire at the end of May next year as chairman and chief executive of Vickers, ending an eventful era for the UK tanks, luxury cars and medical equipment group.

Sir David, 58, will be succeeded as chief executive by Sir Colin Chandler, 51, who has been managing director since January 1990, while the new chairman will be Sir Richard Lloyd, currently the non-executive deputy chairman.

The appointments mean that Vickers is ending the often criticised practice of combining the roles of chairman and chief executive, although the company has been under much less pressure from institutions to split the roles than have other big quoted UK concerns.

The City seemed surprised by the timing of the moves, and the shares fell 3p to 233p yesterday in a falling market. Mr Andy Chambers of the Nomura Research Institute said that most investors should have known that Sir Colin was due to take over from Sir David, even if the date of the handover was somewhat earlier than anticipated.

Sir David said yesterday that Vickers had wanted to give its employees and shareholders as much warning as possible about the changes, which have been prompted by a rule of the company that executive directors should retire at 60. Under the new management structure, there will be no managing director, although Sir Colin may decide to change that.

Vickers yesterday presented the changes as a well-planned event the history of which could be traced back three years. The company realised then, said Sir David, that it lacked an executive with the necessary mix of age and experience to replace him, and decided against the alternative of choosing one of Vickers' "younger Turks".

Ashley Ashwood

Sir Colin: wanted for his skills as an industrialist, rather than as a defence diplomat

Sir Colin, meanwhile, had been seconded from British Aerospace in 1985 to the Ministry of Defence, where he headed defence export sales and was a key figure in negotiating the UK's defence agreement with Saudi Arabia.

He joined Vickers in late 1989 in a move seen by some analysts as an attempt by the company to cement its links with Whitehall – the company was then laying the groundwork for its current bid to supply new tanks for the British army.

However, Sir David stressed yesterday that Vickers wanted Sir Colin for his skills as an industrialist rather than as a defence diplomat. Sir Colin revealed yesterday that he had received many approaches in 1989 from companies who were interested simply in his access to Whitehall.

Students of Vickers' chequered past will remember Sir David chiefly for his role in masterminding the merger of Vickers with Rolls-Royce Motor Cars in 1980. Sir David had become chief executive of the luxury car company soon after its parent went into liquidation in 1971. He took the car company public in 1973, and joined the Vickers board in 1975.

Sir David has been chief executive of Vickers since the Rolls-Royce deal, and became chairman in January 1987 after the death of Sir Richard Cave. Since 1980 Vickers has been transformed by about 50 acquisitions and disposals, and its tank business, established in 1915, is now the only remnant of the Vickers of 1979.

A tough manager who has no time for industry's laments about City "short-termism", Sir David's most striking success at Vickers was probably his overwhelming defeat of the break-up proposals made by Sir Ron Brierley, the New Zealand entrepreneur, who sold his 20 per cent stake in February.

Despite Sir Colin's defence background, the appointments are unlikely to change the direction of the company, whose automotive business is its biggest sector, and the source of current caution about prospects among analysts.

COMPANY NEWS IN BRIEF

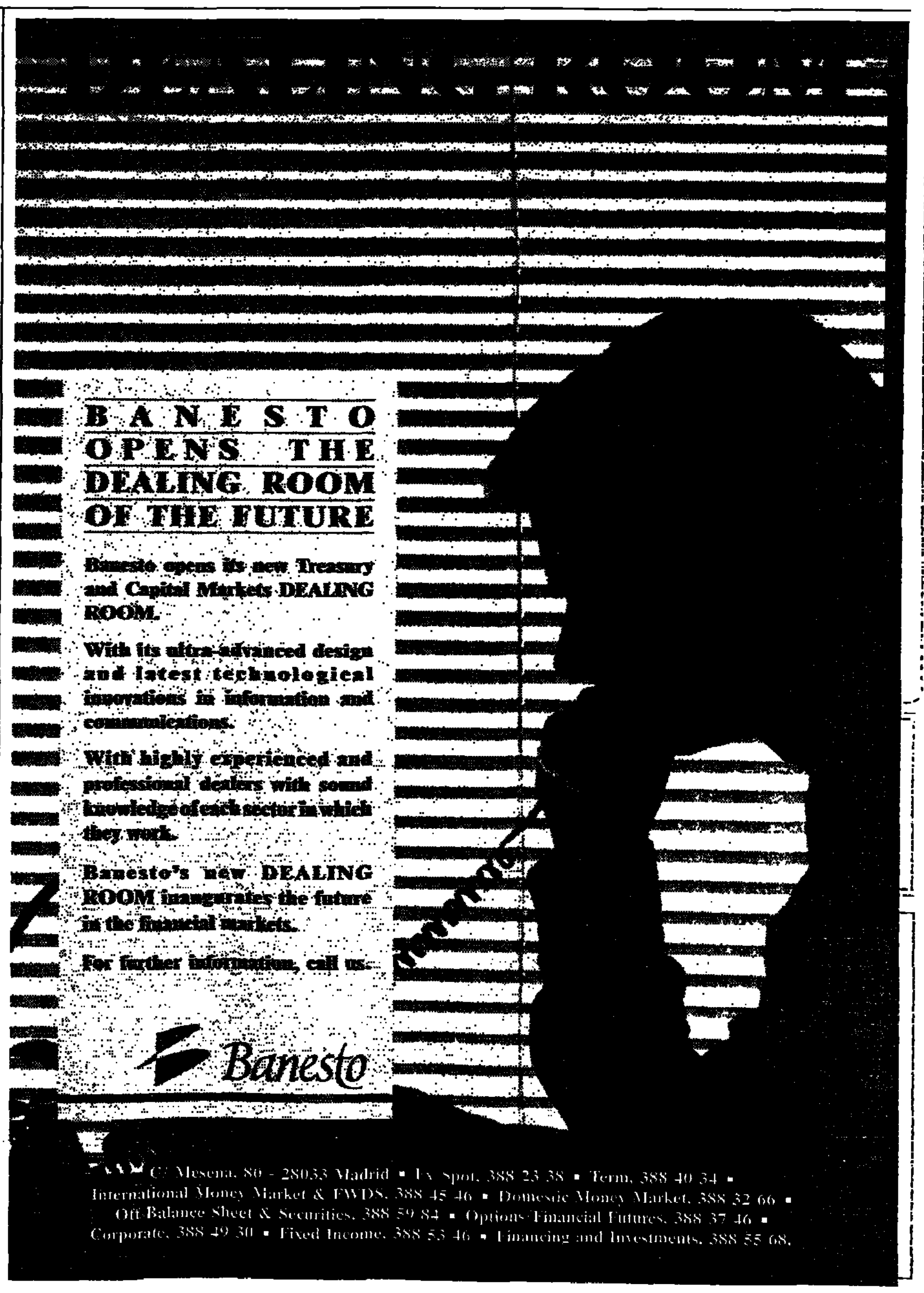
AMPHOTERICS: Following discussions with Nobel Industries Group of Sweden, conditional contracts have been exchanged with Berol Nobel AB for the sale and purchase of the technology, know-how and patent rights for £425,000 and with Berol Nobel Ltd for the sale and purchase of the stock for some £100,000.

CRAY ELECTRONICS has sold its W&J Tod subsidiary, which supplies sonar domes and urethane products to the defence industry, for £1.72m cash. Cray also announced the disposal of Optical Sensors for £121,500. Combined proceeds will be used to reduce borrowings.

METRO RADIO Group has entered a conditional agreement to dispose of Singapore Group, which it acquired as a result of the takeover of Yorkshire Radio Network. Proceeds of the disposal will total S$3.5m (£1.12m).

PA CONSULTING Group, the management and technology consultancy, announced pre-tax profits down from £13.5m to £2.1m in 1990 from turnover higher at £172.6m against £155.7m. The profit was struck after reorganisation costs of £4.6m reflecting reduced staff levels "in order to be better prepared to meet the continuing difficult trading conditions of 1991".

TURRIFF CORPORATION has sold Staffwise and Staffwise Computing to a company controlled by RJ Harris and TR Wiseman, the principal original vendors of Staffwise, for £825,000 cash. In addition, the purchases have assumed net external borrowings of Staffwise and Staffwise Computing amounting to some £318,000.



COMMODITIES AND AGRICULTURE

LME acts to get early warning of squeezes

By Kenneth Gooding, Mining Correspondent

ANALYSTS yesterday gave a cautious welcome to plans by the London Metal Exchange to introduce measures which will give it advance warning of squeezes or attempts to manipulate markets.

The exchange, which provides a reference point for nearly every metal contract signed worldwide, will from July extend its monitoring procedures by introducing a "large position reporting system".

Traders will be required to report to the LME daily any futures and options positions, held for their own or named clients' accounts, that exceed certain limits.

Mr David King, LME chief executive, said that the objective was to give the exchange a better understanding of what was taking place in the market.

"It is in line with our statutory obligation to maintain an orderly market and shows our determination to keep the market orderly while sticking to our fundamental principal of not interfering with free market forces," he said.

He stressed that the information would be confidential and that only two very senior members of the LME secretariat would know what large positions had been reported.

One LME board member said the exchange was increasing its defences against "malignant manipulation".

"There is a narrow dividing line between freedom and excess and from time to time people take advantage and manipulate the market. This has happened to all the metals in the past three years," he said.

"It will be helpful for the LME to know in advance when manipulation might happen and possibly nip it in the bud. The LME can take action more quickly when appropriate. Better information means the market can be better governed and a better governed market is a better market," the board member said.

Mr Angus MacMillan, head of research with Billiton-Enthoven Metals, part of the Royal Dutch/Shell group, suggested that some trading houses were likely to be upset by having to let anyone know their large positions. "But if the changes go to allay fears of people caught in the past by squeezes, then they must be good," he said.

Mr Nick Moore, analyst with Ord Minnett, part of the Westpac banking group, said that any move which improves the clarity of the metals markets should be welcomed. He said the proposed system would enable "the squeezers to be squeezed".

The LME's detailed proposals will be announced soon but it already has set levels that must be reported if exceeded. These are: aluminium 25,000 tonnes (1,000 lots); copper 20,000 tonnes (800 lots); lead 10,000 tonnes (400 lots); zinc 10,000 tonnes (400 lots) tin 2,000 tonnes (400 lots); nickel 900 tonnes (150 lots).

Body set up as voice for safe mining

By Kenneth Gooding, Mining Correspondent

SOME OF the world's biggest mining companies have set up an organisation through which the industry will respond internationally to the growing pressures it faces on health, safety and environmental matters.

So far, RTZ, the world's biggest mining company, has not joined the International Council on Metals and the Environment (ICME) but the group will be formally invited to join this week.

An RTZ official said yesterday that his company had been actively involved in the project since it was first mooted last autumn, as had its associates, Kennecott in the US and CRA and Pasminco in Australia.

Mr Keith Hendrick, chairman of Noranda Minerals, the Canadian group, who is founding chairman of the ICME, said the initiative "marks an historic turning point for the international mining and metals industry.

"It clearly reflects a major change in the industry's approach to environmental and health issues. While the industry worldwide has been involved in extensive research and capital investment dealing with environment and health issues, it has not co-ordinated its knowledge, experience and resources to address international issues that go beyond individual and domestic corporate interests in any particular commodity," he said.

European companies among the 14 founding members of ICME include Boliden Mineral of Sweden; ACEC-Union Minière of Belgium; Metaleurop of France; and Eramet-SLN of France. From North America are Cominco; Falconbridge; Noranda Minerals; Asarco; the Doe Run Company; Minorco USA; and Phelps Dodge. Mexico is represented by Industrias Penoles and Chile by Codelco. MIM Holdings is the sole Australian representative so far.

Officers include Mr Noel Masson (president of ACEC-Union Minière) and Mr Jaime Lomelin (president of Industrias Penoles) as vice-chairmen.

ICME will have its headquarters in Ottawa, Canada, and Mr Gary Nash, formerly senior vice-president of the Mining Association of Canada, responsible for environment, health and trade matters, has been appointed secretary-general.

Mr Nash said the first meeting of ICME senior executives was scheduled to take place on October 9 in London during a week when metals people from all over the world would attend the London Metal Exchange dinner and associated events.

Brazil signals move to coffee accord, but trade doubtful

By Victoria Griffith in Sao Paolo

THE ANNOUNCEMENT of different pricing rules for Brazilian coffee exports before and after September has been interpreted by analysts as a clear signal that President Fernando Collor's administration is anxious to reach an international coffee accord this autumn.

The coffee market believes the chances are slim for reviving an accord which collapsed in July 1989 leaving the coffee trade with a free market and plunging prices. The next full council meeting of the International Coffee Organisation takes place in September.

"There won't be any international agreement this year," predicted a Rio de Janeiro-based trader. "Brazil will be looking to enter an accord on the favourable terms it enjoyed two years ago, but the other exporters will not be quick to give up the market gains they have made since then."

Coffee prices are now at about the same level as they were when Brazil shook the markets by suspending export registrations two weeks ago. Yesterday London robusta coffee futures closed slightly ahead, while New York arabicas were mixed at midday.

The Brazilian government announced last Friday that coffee export registrations would be reopened yesterday. The rules for exports until September 31 remain unchanged.

THE UGANDA state-owned Coffee Marketing Board's monopoly of exports will end, with private processors allowed to sell their output overseas, officials said. A new Uganda Coffee Development Authority will license coffee growers, processors and exporters.

● Mr Rene Amany, the managing director of Ivory Coast's commodities marketing board (Caistab), has been fired as part of a restructuring of the debt-laden body. A new administrative council dominated by the private sector will be formed.

Exporters can register at a fixed price or according to "basis trading", which sets the price at a differential against the New York and London futures markets.

Between October 1 and the end of January, export registrations will be open only under basis trading. Registrations for export after January 1992 remain closed.

According to the government, registrations were suspended to avoid speculation on Brazil entering an international coffee accord. The new pricing rules, says the government, will guard against speculation on coffee for export after September.

The coffee market doubts the rule change will make any difference. "The closure of coffee registrations was the most ill-conceived move I have ever seen in the commodities markets," said a Rio coffee analyst. "There never was any justification for the closure of registrations," said a trader.

With consumers worldwide showing a preference for Colombian and Central American coffee, market observers believe Brazil will be entering September's coffee talks in a weak position.

Last year, Brazil lost its lead to Colombia as the biggest world exporter of coffee in terms of value. Exporters think the cost to Brazil of an international accord will be far higher than it was two years ago.

The Brazilian Federation of Coffee Exporters (Febec) has already announced its opposition to any world deal. The organisation believes Brazil is capable within a free market system of recuperating its position as number one exporter. An accord, Febec fears, could give too much away. With Brazil's chances of reaching a coffee agreement in September far from certain, exporters were not rushing out to register yesterday. "We are definitely taking a 'wait-and-see' attitude," said a Rio-based trader.

Fox suspends screen-traded rubber futures

By David Blackwell

LONDON'S screen-traded rubber futures contract, launched only last May, has been suspended, the London Futures and Options Exchange (Fox) said yesterday.

The contract's launch dates had been postponed several times and since the launch, the physical market has been extremely flat, with volume in the futures contract dwindling to nothing by last November.

As the open interest has reached zero, the Fox board decided to suspend trading. Suspension left the door open for a resumption of trading, the exchange said.

One trader said the contract had had an inauspicious start. Given the state of the physical market, "to get a new contract running just wasn't on," he said. "They would have been better advised to put it on ice."

London Fox is looking to expand its business through screen trading. Earlier this year, its raw sugar market moved on to screens, and an arabica coffee contract was launched last month.

On May 9, the exchange is to launch a property futures contract.

● Freight and agricultural futures contracts of the former Baltic Futures Exchange (BFE) will start trading at London Fox on May 7, the exchange said yesterday. The BFE and Fox merged last January.

Zeepipe to include UK gas link

By Deborah Hargreaves

STATOIL has convinced partners in the Zeepipe gas pipeline that will carry Norwegian gas to the Netherlands when it is completed, to include a link that can tie into the UK pipeline system if needed.

The opening in the pipe means that a linking pipeline into the UK grid can be added later. This will ensure that Norway has adequate capacity to carry gas exports to the UK if the government gives the go-ahead.

Statoil, which is a 60 per cent partner in the Zeepipe project, currently has just one pipeline – the Frigg line – taking gas from the Norwegian sector of the North Sea to Scotland.

The company believes this will be sufficient for the next five to six years, but after that it may need to build a pipeline to the UK to accommodate an increasing flow of Norwegian gas.

● Lasmo, the UK exploration and production company, announced an important oil find off the coast of Nova Scotia in Canada.

The discovery amounts to some 5,675 barrels of oil a day. The field is a joint venture between Lasmo and Nova Scotia Resources.

● The International Petroleum Exchange will launch its naphtha futures contract tomorrow morning when Mr Donald Mackay, director of ICI Chemicals and Polymers, will kick off trading. The contract was due to be launched at the end of January, but was delayed because of volatility in the oil market during the Gulf war.

Naphtha is refined from crude oil to provide a light feedstock for chemical plants and petrol producers.

The IPE's product, which has been developed in conjunction with the Petrochemical Feedstock Association, will mark the first time such a broad-based commodity has been traded on a futures exchange.

The contract is similar to a forward contract that currently trades in Rotterdam and the IPE sees demand for it among petrochemicals producers.

Spice cartel that caused hot tempers

Canute James on the collapse of an agreement on nutmeg prices

A NUTMEG cartel, which controlled the world market for the spice for the past five years, has collapsed, amid charges by one producer that US importers had engineered the break-up.

The cartel, formed by producers in Indonesia and Grenada, has been shaky for the past two years, following Grenadian allegations that the Indonesians had been selling below agreed minimum prices. Indonesia produces 75 per cent of the world's nutmeg, with Grenada producing 23 per cent.

Grenadian government officials said they will meet their Indonesian counterparts to see if there is a chance of reviving the cartel. One admitted privately that there was "very little hope of putting any life back into our agreement".

Indonesian officials say they abandoned the policy of fixing nutmeg prices when the industry was deregulated in keeping with changes in official economic policy. The Grenadians have charged, however, that US spice importers and the US government pressurised Indonesia to change its policy before the country was granted access to an International Monetary Fund credit package.

US diplomats in Grenada denied knowledge of any Washington efforts to pressurise Indonesia into deregulating the nutmeg industry and destroying the cartel. Indonesia is the main supplier to the US, and shares the European market with Grenada.

Whatever the cause of the cartel's demise, Grenadian farmers will be worse affected than their Indonesian counterparts. When Aspin, the Indonesian producers' group, and the GCNA, its Grenadian counterpart, created the cartel, Grenada benefited immediately.

"We saw an immediate increase in earnings from nutmeg following the agreement," said Mr Norris James, chairman of the GCNA. "At the end of 1986 we were only able to get $1.85m (£1m), but at the end of 1987, the year the agreement was signed, we were able to give farmers $5.55m in surplus payments."

Grenadian government officials say the cartel's demise will have less impact on the Indonesian economy, where nutmeg are part of a larger spice industry, and more on the Caribbean island

Under the agreement creating the cartel, the Indonesian producers undertook to sell high-quality nutmeg for between $6,800 and $7,000 a tonne, while low-quality nutmeg were to be sold between $1,000 and $1,200 a tonne. The Grenadians committed themselves to a minimum price of $6,650 a tonne for their best nutmeg, while the minimum price for poorer quality nuts was $5,575 a tonne.

Indonesia's high quality mace, the red lacy substance which surrounds the nut, had a minimum price of $13,500 a tonne, with low quality mace not being sold below $6,000 a tonne. The Grenadians agreed not to accept less than $11,750 a tonne for their premium mace, and $11,750 for the secondary product.

The two producers' groups also agreed to control the volume of nuts and mace on the market, to maintain price stability. The agreed volumes were determined by average production and stocks held by both.

It took nine years of negotiations to establish the cartel and each producers' organisation undertook to market its spice separately. In 1989 the Grenadians charged the Indonesians of reneging on the pact by selling nutmeg and mace below the minimum prices.

An attempt to repair the damage had seemed to be successful: Indonesian and Grenadian officials agreed to restore the cartel's pricing policy, with the Indonesians undertaking to sell their spice at 5 per cent above the agreed minimum, and the Grenadians adding 10 per cent to their prices.

This latest setback to the cartel, however, has forced the Grenadians to reduce prices to hold on to their market share in what is now open competition with the Indonesians. The GCNA has reduced the price of its top quality nuts by $2,300 a tonne, and the price of premium quality mace has been reduced by $4,000 a tonne.

The island expects earnings to fall back to pre-cartel levels of between $1m and $2.5m per year, adding pressure to an already troubled economy

World Bank seeks preservation role

THE WORLD Bank has done too little in the past to help preserve the tropical rainforest, according to a confidential report prepared by its own researchers.

"Until recently, absence of comprehensive forestry sector work has been a marked shortcoming in Bank operations," says the draft report, which proposes policies to save rainforests from destruction.

It adds: "The Bank can plan an important role in refining sound and practical valuation techniques for assessing environmental benefits and costs of forestry projects."

It says the Bank should collaborate with other international organisations to formulate an agenda for global co-operation to promote sustainable development and conservation of tropical forests.

An international research programme on the deforestation threat is urgently needed and each country should formulate its own long term strategy for forest conservation.

Friends of the Earth, the environmental organisation, which leaked the document, attacked the report saying it contained nothing of substance.

"It is business as usual at the bank," said Mr Tony Juniper, FoE campaigner. "There will be more logging and deforestation on a far larger scale."

The report says that boycotts of tropical timber should be discouraged: "If forests become unprofitable then wasteful deforestation will occur."

It says that the International Tropical Timber Organisation could play a more important role in promoting the sustainable management of tropical forests and the expansion of plantations for timber production.

The report was drawn up for the World Bank by a team of its forestry advisers, economists and researchers.

WORLD COMMODITIES PRICES

MARKET REPORT

Gold moved back above $360 a fine ounce on the London bullion market yesterday for the first time for two weeks. Dealers said trade was quiet, but that some confidence had been restored after the market had stemmed losses and held steady in the mid-$350 area over the past fortnight. On the LME lead prices were steady – week-end news that Curragh Resources Faro miners had gone on strike in support of a pay claim had been expected. However, a prolonged stoppage would help to underpin prices during a traditionally quieter period for demand in the spring and early summer months in the northern hemisphere. Nickel prices retreated below $9,000 a tonne. Dealers said the market had encountered difficulty extending recent gains when the strike at the Soviet Union's Norilsk nickel plant ended on Friday. Copper was again confined to a narrow range. In New York cotton was sharply up at midday on strong technical buying from funds and commission houses. One analyst said speculation that rain in California could cause new crop plantings to be lower than expected also spurred buying in old crop contracts.

Compiled from Reuters

London Markets

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai	$14.70-4.80u	+.125
Brent Blend (dated)	$18.65-8.70	+0.40
Brent Blend (May)	$18.90-9.00	+0.35
W.T.I. (1 pm est)	$20.25-0.30u	+0.40
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$228-230	+1
Gas Oil	$177-178	+1
Heavy Fuel Oil	$69-71	+1
Naphtha	$188-189	+5.5
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$361.05	+3.55
Silver (per troy oz)♣	398.50c	-0.50
Platinum (per troy oz)	$402.5	-2.0
Palladium (per troy oz)	$92.5	-0.25
Aluminium (free market)	$1415	-30
Copper (US Producer)	112½c	-¼
Lead (US Producer)	34c	-1⅞
Nickel (free market)	414c	-5
Tin (Kuala Lumpur market)	14.87r	+0.06
Tin (New York)	258c	+3
Zinc (US Prime Western)	62c	
Cattle (live weight)†	109.98p	-0.42*
Sheep (dead weight)†	205.49p	+1.14*
Pigs (live weight)†	86.51p	-0.15*
London daily sugar (raw)	$225.6t	-1.4
London daily sugar (white)	$298.3t	-1.7
Tate and Lyle export price	£236.0	+1.0
Barley (English feed)	£124.0	
Maize (US No. 3 yellow)	£175.5	
Wheat (US Dark Northern)	£97	
Rubber (May)♥	53.00p	+0.50
Rubber (Jun)♥	52.75p	+0.50
Rubber (KL RSS No 1 Apr)	225.5m	-1.0
Coconut oil (Philippines)§	$315t	
Palm Oil (Malaysian)§	$325x	
Copra (Philippines)§	$220t	
Soyabeans (US)	£154	+1
Cotton "A" index	83.40c	+0.45
Wooltops (64s Super)	342p	+4

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Jul/Sep t-Apr/May t-Jun u-May. x-Apr/Jun. s-May/Jun. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX			($ per tonne)	
Raw	Close	Previous	High/Low	
May	205.00	199.20	204.80	198.80
Aug	213.00	201.80	210.00	199.00
Oct	207.40	199.20	207.00	198.80
Dec	203.80	193.40	198.40	192.80
Mar	203.40	193.40	199.60	192.20
White	Close	Previous	High/Low	
May	299.0	295.5	298.5	294.0
Aug	298.9	291.5	297.3	290.0
Oct	273.9	268.5	270.2	267.0
Dec	269.9		267.0	265.5
Mar	273.4		272.6	268.2

Turnover: Raw 1561 (509) lots of 50 tonnes. White 1644 (1191)
Paris- White (FFr per tonne): May 1699, Aug 1688, Oct 1657.

CRUDE OIL – IPE			$/barrel	
	Latest	Previous	High/Low	
May	18.94	18.61	19.08	18.70
Jun	18.57	18.22	18.65	18.34
Jul	18.38	18.02	18.40	18.13
Aug	18.27	18.02	18.27	18.25
Sep	18.19	18.08	18.19	
IPE Index	18.65	18.24	18.65	18.24

Turnover 16057 (9492)

GAS OIL – IPE			$/tonne	
	Latest	Previous	High/Low	
Apr	176.25	172.75	177.00	173.50
May	169.50	167.50	169.75	167.00
Jun	166.50	164.00	166.50	165.50
Jul	167.00	164.00	167.00	165.00
Aug	168.00	168.00	168.00	167.00
Sep	169.50	168.00	169.00	169.00
Oct	171.50	169.75	171.50	171.00
Nov	172.50	172.00	172.00	171.00

Turnover 5941 (6051) lots of 100 tonnes

TEA
There was fair general demand, reports the Tea Brokers' Association. Brighter liquoring sorts and better mediums were fully firm and often dearer. Plainer descriptions met a more limited enquiry at easier rates while central African teas attracted selective demand at generally lower levels. The small quantity of Ceylons on offer was well supported with better liquoring teas 2-6p dearer. Offshore Kenyas met very selective competition. The balance of the offerings sold quite readily although plainer central Africans were 2-4p easier. Quotations: quality 275p nominal (280p), medium 114p (112p), low medium 75p (78p).

COCOA – London FOX			£/tonne	
	Close	Previous	High/Low	
May	642	660	660	640
Jul	666	683	688	667
Sep	691	706	706	691
Dec	722	731	730	719
Mar	751	758	758	750
May	770	776	775	771
Jul	791	795	795	790

Turnover: 6151 (3321) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Apr 5 846.36 (859.17) 10 day average for Apr 8 868.07 (869.19)

COFFEE – London FOX			£/tonne	
	Close	Previous	High/Low	
May	596	590	601	593
Jul	610	603	615	607
Sep	624	617	631	620
Nov	639	630	643	640
Jan	654	644	657	655

Turnover: 3807 (2015) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Apr 5 : Comp. daily 72.36 (72.42). 15 day average 72.70 (72.65)

POTATOES – London FOX			£/tonne	
	Close	Previous	High/Low	
Apr	125.0	120.0	125.0	120.0
May	151.2	148.5	152.0	148.0
Apr	129.5	132.0	130.0	129.0

Turnover 191 (169) lots of 40 tonnes.

SOYAMEAL – London FOX			£/tonne	
	Close	Previous	High/Low	
Jun	118.00	117.00	118.00	
Aug	120.50		120.50	
Oct	124.50	123.60	124.50	124.00
Feb	131.50	130.00	131.50	130.50

Turnover 150 (110)lots of 20 tonnes.

FREIGHT – London FOX			$10/index point	
	Close	Previous	High/Low	
Apr	1527	1503	1529	1505
May	1429	1415	1430	1429
Jul	1150	1145	1155	1150
BFI	1606	1598	1606	

Turnover 202 (280)

GRAINS – London FOX			£/tonne	
Wheat	Close	Previous	High/Low	
May	138.75	139.00	139.10	138.75
Jun	140.85	141.10	141.10	141.00
Nov	114.40	114.30	114.40	114.30
Jan	117.75		117.75	
Barley	Close	Previous	High/Low	
May	118.75	119.80	119.60	118.75
Nov	111.75	111.75	111.75	

Turnover: Wheat 242 (470), Barley 25 (80).
Turnover lots of 100 tonnes.

PIGS – London FOX		(Cash Settlement) p/kg		
	Close	Previous	High/Low	
Jun	114.0	115.0	114.5	114.0
Jul	114.0		114.0	
Aug	114.0		114.0	
Sep	114.0		114.0	
Oct	114.0		114.0	

Turnover: 91 (20) lots of 3,250 kg

MGMI – London FOX					
	Close	Prev.	High	Low	Vol
Indx	153.07	152.90			
Apr	152.80	154.80	153.50	152.80	115
May	152.90	154.60	153.40	152.90	108
Jun	153.10	154.70	153.70	153.10	105
Sep	152.60		153.00	152.60	50
Dec	152.80		152.80		31

LONDON METAL EXCHANGE		(Prices supplied by Amalgamated Metal Trading)				
	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 20,692 lots
Cash	1412-4	1433-5		1412-3		
3 months	1443-4	1463-4	1461/1443	1443-4	1443-4	64,903 lots
Copper, Grade A (£ per tonne)						Total daily turnover 19,919 lots

CRUDE OIL (Light) 42,000 US galls $/barrel				
	Latest	Previous	High/Low	
May	20.37	19.96	20.47	20.13
Jun	20.07	19.77	20.21	19.90
Jul	19.80	19.53	19.93	19.67
Aug	19.61	19.36	19.76	19.45

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel				
	Close	Previous	High/Low	
May	590/4	588/6	596/0	590/0

New York

LONDON STOCK EXCHANGE

Distinctly cooler mood in the market

THE FIRST stock market trading day of the new tax year saw investors taking a more subdued view of prospects for the near term. With Wall Street looking less confident following Friday's US employment data, UK yesterday equities spent most of the session on the downside and closed 15.4 points lower on the FT-SE scale at 2,529.9.

Strategists at several leading securities firms suggested that, while prospects for a further rise in UK equities before the year-end were still good, the next few months might prove less certain. Some lines of good quality stocks were on offer, suggesting that fund managers are reshaping portfolios.

However, sterling's continued firmness against the German mark buttressed hopes of a further cut in UK base rates, perhaps in the wake of the announcement on Friday of the latest UK retail price index which is confidently expected to show a significant fall in domestic inflation.

Account Dealing Dates		
*First Dealings:		
Apr 2	Apr 15	Apr 29
Option Declarations:		
Apr 11	Apr 25	May 16
Last Dealings:		
Apr 12	Apr 26	May 17
Account Day:		
Apr 22	May 7	May 28

*New-time dealings may take place from 8.30 am two business days earlier.

Underlying buoyancy in the market was reflected in the swift placing of the 8.8 per cent (24m shares) in Pearson, the publishing group and owner of the Financial Times, held by Elsevier of Holland. The shares were sold by a group of UK securities firms to a range of institutions at a price just below market quotations.

For much of the day, the equity market was led by activity in the stock index futures sector. Share prices opened lower in the wake of Wall Street's 28 Dow point setback late on Friday, but were then lifted briefly into plus territory when the FT-SE June futures contract came in with a substantial premium against its fair value calculation. But the premium vanished as a leading UK brokerage house turned seller and the cash market also returned to the bear tack.

At worst the Footsie was 25.3 down before the market rallied, ignoring the early fall of Dow 6.19 in the new Wall Street session. Seaq volume of 595.7m shares, compared with 605.1m on Friday, was boosted by heavy trading in Pearson, which included double-counting of the Elsevier deal.

Traders maintained that the day had not been particularly busy; "an expected breather," was one description of a session which saw profits being taken in some sectors and share gains consolidated in other more favoured areas of the market.

At County NatWest, Mr John Reynolds said that the equity marked had moved back towards the "fair value area," and was discounting further cuts in base rates and some recovery in the economy.

Note was taken in the market of the latest survey of institutional investor opinion by Smith New Court, a leading UK securities house with a reputation for aggressive trading strategies, which claimed that UK fund managers are currently showing reduced enthusiasm for placing funds in UK equities.

Technical positions in the stock market were also difficult. Market makers were still very short of stock in some sectors and were happy to lower share prices in order to generate business. As yesterday's late rally in share prices indicated, investors, still fearful of being left behind, will not let prices fall very far before moving in to buy.

US-orientated stocks suffered from the influence of Wall Street, BAT Industries, ICI, Glaxo and BOC all giving ground. Oil shares remained unsupported and bank stocks moved uncertainly on reports that Brazil has agreed terms with its leading banking creditors on repayment of $8bn of interest payment arrears.

Funding hint hits Enterprise

THE re-emergence of rights issue reports and fears that Elf Aquitaine, the French state-owned oil group, may be lining up the sale of its 25 per cent stake combined to leave Enterprise Oil lower in an otherwise stable oil sector. Both stories have been circulating for some time, but the rights suggestion was partly dispelled in the market last week when Enterprise announced a £100m convertible bond issue.

A report that Occidental, the US oil group, is auctioning its North Sea assets – valued at over $1bn, or around £560m – triggered the latest rights speculation, with Elf, Enterprise and Arco all said to have shown interest in the assets. Dealers drew the conclusion that if Elf won control of Occidental assets, it would have no need to bid for Enterprise, and might indeed sell its stake into the market.

Mr Alan Sinclair at Smith New Court said a possible rights issue and the uncertainty surrounding Elf's stake could depress Enterprise's performance in the short term, and he took the shares off Smith's buy list. They closed 13 off at 560p, after 558p.

Pearson placing

Turnover in Pearson climbed to 55m shares as the 8.8 per cent stake held by Elsevier, the Dutch publisher, was placed. The shares were sold to institutions by Smith New Court, Cazenove (Pearson's broker) and Swiss Bank Corporation. They bought 24m at 754p from Elsevier and sold them at 762p. The transactions took less than an hour.

Pearson, normally a thinly traded stock, edged 5 lower to 760p. It was a resilent performance, said brokers, partly attributable to the ending of uncertainty over the fate of the holding – the market had assumed that the Elsevier stake would be sold. Pearson had a 22¼ per cent shareholding in Elsevier until last month.

Pearson also released final results in line with expectations, including a slightly higher dividend. This helped the other two Footsie publishing companies to rise against the trend of the wider market. Reed International added 4 at 455p, after a difficult session on Friday, while Maxwell Communication firmed a penny to 185p. Trading was steady in both.

Construction group John Mowlem came in for a late bout of selling as the market responded to suggestions that the group would be the next in the building sector to tap the market for funds via a rights issue. The building arena has seen a flood of cash calls over the past three weeks and specialists are confidently expecting the list to grow much longer in coming weeks. Mowlem shares dropped 12 to 343p.

Glaxo slipped 11 to 1114p as the company began patent proceedings in the US to try to protect revenues from its best selling drug Zantac. Glaxo has a patent until 1995 on an unstable version of the drug and until 2002 on a stable version. Analysts said that generic drug makers are increasingly likely to challenge this "groundbreaking" patent regime.

A compromise plan proposed by ADT in a legal dispute with its largest stakeholder left its volatile shares 15 higher at 85p.

A late rush of trade in Saatchi & Saatchi, and especially in the company's nil-paid stock, was attributed to profit-taking, perhaps from the US. Saatchi eased ¾ to 19½p on 15m and the nil-paid edged ¾ down to 9½p on 42m.

Bank shares responded to reports that Brazil has agreed terms on the repayment of $8bn in interest arrears. Midland and Standard Chartered were the main beneficiaries in the market, the latter closing 2 higher at 395p and the former 4 firmer at 223p. Turnover in Midland was well above average towards the end of last week and this continued yesterday when 9.1m shares were traded. Large lines of Royal Bank of Scotland changed hands; the stock lost 4 to 190p on 3.8m.

Prudential settled 5 off at 240p, after 238p, on 3.8m traded, with the rally helped by a Credit Lyonnais Laing buy note. This said the stock "offered prospects of an undiscounted and almost guaranteed recovery in 1991".

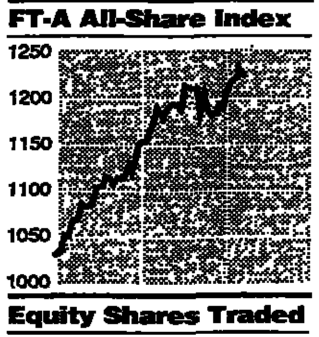
British Gas outperformed the market, closing unchanged at 257p on turnover of 9.7m in spite of a report of probable increased competition in the UK industrial gas market.

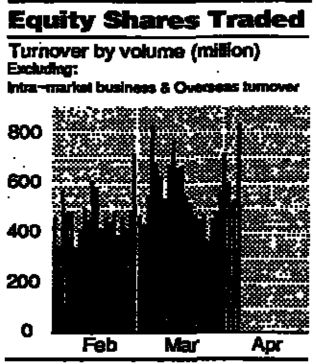
Takeover speculation in the Racal twins subsided but there remained heavy two-way business in both shares. Electronics slipped 8 to 234p on 13m, with County NatWest returning the stock to its buy list. County put a 300p a share valuation on Electronics and mentioned the Bell operating companies and Cable and Wireless as potential bidders for the soon-to-be demerged Racal Telecom, where Electronics has an 80 per cent stake.

Mr Adam Quinton at UBS Phillips & Drew was the latest telecoms specialist to increase his profits forecast for Electronics, increasing the expectation for the year to end-March 1992 from £280m to £300m. Racal Telecom fell 15 to 395p.

British Telecom put in another strong performance, closing 5 ahead at 370p on big turnover of 16m shares. Analysts have been increasingly positive on the stock since the government announced it intends to sell part or all of its remaining shares in the company.

GEC outperformed the market, adding 2½ at 207p on 4.8m, after Nomura labelled the shares a "trading buy" and upgraded their current year dividend forecast. Mr Miles Saltiel at Nomura increased his estimate to 9.4p, to put the shares on a 6.1 per cent yield. "The market has taken a shade too bearish a view of GEC in the past couple of weeks and the shares have a bit of catching up to do," said Mr Saltiel.





Building and household products concern MB Caradon strengthened noticeably after disclosing marginally higher annual profits. For a building company this was a rarity and, combined with the chief executive's mildly optimistic view of prospects, ecouraged support for the shares, finally up 11 at 216p.

An increased total dividend distribution outweighed lower annual profits from Metsec, a building products company, and the shares rose 4 to 163p. Sykes-Pickavant reported a full year profits decline of 25 per cent and fell 5 to 67p.

Investors in smaller stocks alighted on Dauphin following a long term positive assessment by an investment house. County NatWest said the company had improved its position within the market and was well placed for any recovery in the office seating industry. The stock gained 6 to 91p.

The troubled motor distributors' sector encountered some support after County NatWest suggested that the stock market has already begun to anticipate a recovery in the area.

Lower interest rates are unlikely to stimulate demand until well into the second half of the year, said County, but "we believe there is still significant upside potential in shares of the motor dealers". Against the trend of many other equities, Dagenham Motors picked up 5 to 110p and Perry Group, which County rated a buy, improved 2 to 173p.

The best performer of the day among FT-SE 100 stocks was Associated British Foods. The shares climbed 15 to 515p in modest volume as Kleinwort Benson changed its recommendation from a hold to a buy.

The broker said the company was well placed to cope with a likely fall in sugar prices – ABF paid £880m for British Sugar in December 1990. Kleinwort also edged its profits forecast higher and increased its earnings per share estimate by rather more, from 51p to 52.4p.

Last week's demand for J. Sainsbury, in the wake of good figures from rival Tesco, survived the reversal of the market's fortunes. Sainsbury added 6 at 382p and Tesco outperformed to close unchanged at 290p. Turnover was brisk.

Simon Engineering went 5 higher to 380p on news of a $102m contract to convert a Florida paper mill from virgin pulp into a wholly recycled waste operation. The plant belongs to Seminole Kraft, an affiliate of Stone Container Corp. The Simon chief executive said the new mill will be economic and one of the most environmentally friendly US paper mills yet built.

A call for £18.7m cash through a one-for-four rights offer at 157p set F & C Eurotrust back 11 to 162p.

■ Other Market statistics, including the FT-Actuaries share index, Page 30

NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (172).
BRITISH FUNDS (7) Treas. 3pc 1991, Treas. 3pc 1992, Fd. 6pc 1993, Exch. 3pc Gas '90-95, Treas. 9pc '92-96, Treas. 6¾pc '95-98, Treas. 2pc IL 1996, AMERICANS (13) Abbott Labs., BankAmerica, CPC, Campbell Soup, Chase Manhattan, Citicorp, Colgate-Palmolive, Data Gen., Fluor, Hasbro, Molex, Rep. NY, Time Warner, CANADIANS (3) Bk. Nova Scotia, Can. Imp. Bank, Royal Bk. Can., BANKS (4) Brown Shipley, Kyowa, Midland, Yasuda, BREWERS (4) Devenish (JA), Guinness 5¾pc Prf., Marston Thompson, Seagram, BUILDINGS (4) Attwoods, Boot (H), Gleeson (M.J), Mowlem (J), CHEMICALS (1) Yorkshire, STORES (7) Alexon, Coles Myer, Kingfisher 8½pc 2000, Liberty, OS, Scholl, Smith (WH) A, ELECTRICALS (11) Brit. Telecom, Domino Print. Sci., Gardiner, Lec Refrg., Micro Focus, Pifco, Do. A, Racal, Do. 7pc Cnv. 2009-14, Renishaw, TDK, ELECTRICITY (3) Eastern, Reg. Elect. Pkg., Sth. Wales, ENGINEERING (3) Clayton Son, McKechnie, Molins, FOODS (14) Assoc. Brit. Foods, BSN, Geest, Goodman Fielder Wattie, Hillsdown, Iceland Frozen, Low (Wm), Morrison (Wm), Northumbrian, Nurdin Peacock, Pokphand (CP), Sainsbury (J), Sutherland, Watson & Philip, INDUSTRIALS (27) Aberfoyle, Benson, Bibby (J), Cooper (A), Daimler-Benz, Dauphin, EIS, EMC, Erskine House, Do. 7¼pc Prf., Fletcher Chlnge., Lilly (E), London Intl., MB-Caradon 7.25p Prf., Metsec, Nobo, Paterson Zochonis, Do. A N/V, Portals, Securicor A NV, Sec. Servs., Siebe, Stora B Free, Swallowfield, Unichem, Vinten, Whatman, INSURANCE (4) Amer. Gen., [illegible] Friendly B, LEISURE (3) [illegible] Central ITV, [illegible] Dagenham, [illegible] News Corp., [illegible] Greenlees, [illegible] Asda Prop. [illegible] Cnv., Clarke [illegible] Lon. & Edin. [illegible] (1) Gold Fields [illegible] CSX, Clarkson [illegible] Tiphook, TRUSTS [illegible] Archimedes, [illegible] Baltic, Beta [illegible] 6pc Cnv. '95, [illegible] Dunedin Wor[illegible] Equity Cons[illegible] Claverhouse [illegible] Do. Wrrnts., [illegible] Lon. Amer. [illegible] Fd., Pac. As[illegible] Scot. & Merc [illegible] East Inv., Te[illegible] Wrrnts., WATER (3) Welsh, Wessex, Yorkshire, OILS (3) Brit. Borneo, Global Natural Res., Goal, Hardy, Monument, Woodside, MINES (8) Anglo Am. Coal, Delta Gold, Gwalia Cons., Indonesian Diamond, Nor-Quest Res.
NEW LOWS (13).
BUILDINGS (1) Freeman, CHEMICALS (1) Chemex, STORES (2) Automagic, Fired Earth Tiles, INDUSTRIALS (2) Assoc. Energy, Assoc. Nursing Servs., PAPERS (1) Unit, TRUSTS (2) Renaissance, Do. Wrrnts., OILS (3) Cairn Energy, Gaelic Res., Teredo, MINES (1) Kalis Minerals.

APPOINTMENTS

Retail chief at Barclays

■ Mr Richard Reay-Smith has been appointed chief executive of BARCLAYS BANK's retail services division, the arm responsible for Barclaycard, Barclays Merchant Services, centralised lending products and travellers cheques. He is currently managing director of Barclays Card Services, and takes up his new post on Thursday (April 11). Mr Reay-Smith succeeds Mr Ken Bignall who has been appointed managing director and vice chairman of Barclays Financial Services.

■ BRAEMAR SHIPBROKERS has made the following changes. Mr A.R.W. Marsh has become chairman, succeeding Mr W.E.A. Bays who remains on the board and in October becomes chairman of the Institute of Chartered Shipbrokers. Mr Q.B. Soanes and Mr R. Rivlin have been appointed joint managing directors. Mr I. Cucknell and Mr A.S. Harvey become directors.

■ ITNET, a Cadbury Schweppes subsidiary, has appointed Mr Daryl Howe as human resources director.

■ AT&T (UK) has appointed Mr Derek Soper as chairman and chief executive of its AT&T Capital-Europe division, the European financial services operation of AT&T Capital Holdings. He was formerly a director of Kleinwort Benson responsible for its leasing and asset finance business.

■ Mr Richard East has been appointed managing director of TERADATA UK. He leaves Unisys where he was general manager of its commercial systems division, a post he held for three years.

■ Mr Duncan Goldie-Morrison has been appointed senior director, global swaps and syndicate of NATWEST CAPITAL MARKETS. He joins from Westpac where he was head of swaps and capital markets.

■ TAXSOFT has appointed Mr Adam Broke as chairman, succeeding Mr Neil Pearce who remains as a non-executive director. Mr Pearce is chairman of parent company Quantec (Holdings).

■ Mr Martin Bishop has been appointed chairman, and Mr Jerry Firbank managing director of MARCH COMMUNICATIONS, an exhibitions company.

■ Mr Peter Prag has been appointed chief agricultural manager of THE AGRICULTURAL MORTGAGE CORPORATION. He joins from Knight Frank & Rutley where he was a partner.

■ Bührmann Tetterode has appointed Mr Peter Lewis as managing director of subsidiary JIFFY PACKAGING CO, maker of the Jiffy bag. He was managing director of Autobar Vendabeka.

KENT BLAXILL, builders' merchants, has appointed Mr John Mannion *(pictured)* as finance director. He was group financial controller at Hunter.

■ Mr Brian Cheesman has been appointed managing director of GEORGE ORRIDGE (SOUTHERN), Bournemouth, succeeding Mr Tony Hayter who is retiring.

■ Mr David J. Brimblecombe has been appointed a director of YORKSHIRE CHEMICALS, Leeds. He continues as company secretary.

■ Following the acquisition by CUTHBERT HEATH HOLDINGS of Lambert Brothers (Underwriting Agencies) Mr D. Eve joins the board of Cuthbert Heath Underwriting; and Mr P.T. Daniels and Mr I. MacDougall join the board of Cuthbert Heath Members' Agency.

■ PROLIFIC LIFE & PENSIONS has restructured its marketing and development divisions in Kendal. Mr David Czerwinski becomes marketing manager; Mr Ian Buchanan has been appointed marketing actuary; and Mr Graham Kettleborough has been made life marketing development manager.

MEYER INTERNATIONAL has appointed Mr Les Morrell *(pictured)* as managing director of Jewson, succeeding Mr Richard Reynolds, a main board director of Meyer, who remains chairman of Jewson. Mr Morrell was marketing director.

FINANCIAL TIMES STOCK INDICES

[illegible]

GILT EDGED ACTIVITY

[illegible]

TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change
[illegible]			
BP	3,300	334	-1
British Steel	2,600	146	-1
British Telecom	16,000	370	+5
Burzl	3,100	98	
Burmah Castrol	430	613	+2
Burton	1,400	99	-3
Cable & Wire.	2,200	618	-7
Cadburys	1,400	389	-2½
Calor Group	729	232	+5
Carlton Comms.	1,200	474	-1
Coats Viyella	671	154	-3
Comm. Union	1,000	531	-8
Cookson	1,600	132	+2
Courtaulds	612	411	-8
Kingfisher	7,900	489	+5
Ladbroke	1,700	206½	-2½
Land Securities	1,000	541	-9
Laporte	108	585	+4
Legal & General	1,500	468	-1
Lloyds Abbey	691	428	-5
Lloyds Bank	8,600	362	-8
LASMO	548	548	-2
London Elect.	508	189	+2
Lonrho	2,300	259	-1
Lucas	1,500	169	-5
MB Caradon	2,000	216	+11
MEPC	222	536	-3
Manpower	270	70½	-2
Rolls Royce	2,200	188	
Rothmans	229	882	-6
Ryl Bk Scotland	3,800	190	-4
Royal Insurance	474	450	-13
Saatchi	15,000	19½	-¾
Sainsbury	2,100	382	+6
Scottish & New.	1,800	373	-6
Sears	2,100	92	-2
Sedgwick	1,800	270	-1
Seaboard	128	198	+1
Severn Trent Water	1,200	288	
Shell Transport	5,600	487½	-½
Siebe	158	459	+1
Slough Ests	369	243	-3
Wellcome	2,500	836	-10
Welsh Water	100	352	+2
Wessex Water	253	382	
Whitbread 'A'	1,700	472	+1
Wiggins Teape	1,100	234	
Williams Hldgs.	1,400	289	-2
Willis Corroon	721	329	-2
Wimpey	108	217	
Yorkshire Elect.	1,000	208	-1
Yorkshire Water	543	323	-3

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm.

EQUITY FUTURES AND OPTIONS TRADING

THE Derivatives markets had a lively session yesterday as the opening of the new UK tax year encouraged widespread hedging activity by both institutional and private investors.

The FT-SE June futures contract returned to the centre of the stage and drove the cash market for much of the session. Very early trading saw the June contract race to a premium of 56 points, or about 17 points above the fair value level which allows for future dividends and carrying costs.

At that point, the contract ran into a strong resistance level and at least one leading UK brokerage house turned a heavy seller. The fair value premium quickly eroded and the contract moved briefly to a narrow discount. For the rest of the day the contract attracted buyers when it stood at its underlying fair value premium, but sellers appeared when it moved more than 10 points above it. At the close the June contract had returned to its fair value level.

In traded options, technical operations were apparent. Trading volumes were headed by Glaxo, with 4,087 contracts traded. Strauss Turnbull, the UK arm of Société Générale, crossed 4,000 June 700 call contracts of Glaxo options, representing some 4m shares.

Activity in British Telecom call options appeared to indicate some top slicing by an institution.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1991 High	Low	Stock	Price £	+ or –	Yield Int.
[illegible]					
92⅞	89⅝	Funding 6pc 1993‡‡	92⅞	+¼	6.49
108⅞	105¼	Treas 13¼pc 1993‡‡	107⅞		12.76
95⅞	92⅛	Treas. 8½pc 1994	95⅞		8.87
111¼	108⅞	Treas 14½pc 1994‡‡	110⅝		13.11
109	105⅞	Exch 13½pc 1994	108⅞xd		12.45
99⅞	96⅞	Treas. 10pc Ln. 1994‡‡	99⅝		10.04
106⅞	103⅝	Exch. 12¼pc 1994	106⅛		11.73
96⅝	93⅛	Treas 9pc 1994‡‡	96⅝		9.33
106⅞	102⅞	Treas 12pc 1995	105⅞		11.34
85	82⅝	Exch 3pc Gas 90-95	85xd	+⅛	3.53
100⅞	96⅞	Exch. 10¼pc 1995	100⅞		10.21
109⅞	105⅞	Treas 12¼pc 1995‡‡	109⅞xd		11.66
113⅞	109⅞	Treas. 14pc '96	113⅛		12.38
96⅞	92⅞	Treas. 9pc 1992-96‡‡	96⅞	+⅛	9.29

Five to Fifteen Years

1991 High	Low	Stock	Price £	+ or –	Yield Int.
119⅜	115½	Treas 15¼pc 1996‡‡	118⅜xd	-⅛	12.84
112¼	108	Exch 13¼pc 1996‡‡	111⅞xd		11.89
100⅛	95¾	Conversion 10pc 1996	99⅝xd		10.05
100⅛	97½	Do. 10pc 1996 A	99⅞xd		10.25
113⅜	108⅞	Treas 13¼pc 1997‡‡	112⅝		11.77
102⅞	97¼	Exch 10½pc 1997	101⅝		10.33
94⅝	89⅝	Treas 8¾pc 1997‡‡	93⅝		9.32
122⅞	117	Exch 15pc 1997	121⅜xd		12.38
98⅜	93⅞	Exch. 9¾pc 1998	98⅛		9.93
85⅜	80⅝	Treas 6¾pc 1995-98‡‡	85⅜xd	+⅛	7.88
127⅜	121¼	Treas. 15½pc '98‡‡	126⅜	-⅛	12.28
109⅜	104⅛	Exch. 12pc 1998	109⅛	-⅛	10.99
97⅝	92⅜	Treas 9½pc 1999‡‡	97⅜		9.76
111⅜	105⅞	Exch. 12¼pc 1999	110⅜	-⅛	11.09
102¾	97⅞	Treas. 10½pc 1999	102	-⅛	10.29
101⅛	95⅞	Conversion 10¼pc 1999	100½	-⅛	10.20
94⅝	89⅝	Conversion 9pc 2000‡‡	94⅛	+⅛	9.53
116⅞	110½	Treas. 13pc 2000	115⅜	+⅛	11.23
116⅝	113⅛	Do. 13pc 2000 A	115⅜	+⅛	11.24
100⅝	94⅝	Treas 10pc 2001	99⅝	+⅛	10.04
118⅜	113⅜	Treas. 14pc '98-01	117⅝		11.91
98⅝	92⅞	Treas 9¾pc 2002	97⅞	+⅛	9.96
100⅜	94⅞	Treas 10pc 2003	99¾	+⅛	10.03
108¼	102	Treas. 11½pc 2001-04	107⅜	+⅛	10.70
58⅞	53⅞	Funding 3½pc '99-04	57⅜	+⅛	6.04
97⅞	90⅞	Conversion 9½pc 2004	96⅞xd	+⅛	9.85
97¼	90⅝	Conversion 9½pc 2005	96⅞xd	+⅛	9.85
118¼	111	Treas. 12½pc 2003-05	116⅜	+⅛	10.69

Over Fifteen Years

1991 High	Low	Stock	Price £	+ or –	Yield Int.
85⅝	79⅜	Treas. 8pc 2002-06‡‡	84⅞	+⅛	9.46
112½	105⅜	Treas. 11¾pc 2003-07	111⅛	+⅛	10.53
90⅛	84⅝	Treas 8½pc 2007‡‡	89⅝	+⅛	9.51
125⅞	118⅜	Treas. 13½pc '04-08	124⅝	+⅛	10.83
94⅜	88⅜	Treas. 9pc 2008‡‡	93⅜xd	+⅛	9.58
85⅜	80	Treas 8pc 2009	84⅜	+⅛	9.42
94⅝	88⅛	Conv 9pc Ln 2011‡‡	93⅞	+⅛	9.63
63⅞	58⅞	Treas. 5½pc 2008-12‡‡	62⅞	+⅛	8.79
82¼	76⅜	Treas. 7¾pc 2012-15‡‡	81⅞	+⅛	9.50
121⅜	113⅞	Exch. 12pc '13-'17	120⅞	+⅛	9.97

Undated

1991 High	Low	Stock	Price £	+ or –	Yield Int.
40⅛	37⅞	Consols 4pc	39¾	-⅛	10.06
35⅞	33⅜	War Loan 3½pc‡‡	35⅛	-⅛	9.86
59⅞	57⅜	Conv. 3½pc '61 Aft.	59⅛xd	-⅛	5.91
29⅞	28¼	Treas. 3pc '66 Aft.	29⅛	-⅛	10.15
25⅛	23⅝	Consols 2½pc	25⅛	-⅛	9.98
25⅛	23⅜	Treas. 2½pc	24⅝	-⅛	10.08

BRITISH FUNDS—Contd

Index-Linked

[illegible]

INT. BANK AND O'SEAS

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Contd

[illegible]

CANADIANS

[illegible]

Continued on next page

LONDON SHARE SERVICE

BANKS, HP & LEASING

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
£11¼	£9¾	ABN Amro Fl5	£11	–¼	Q30%	♦	4.2	♦
151	121	ANZ SA1	146	......	Q38c	1.9	11.4	4.7
284	211	Abbey National 10p	274	–3	9.5	¢3.0	4.6	9.5
183	126	Allied Irish Ord.	175	–1	†Q40%	3.3	5.1	7.9
65	53	Anglo Irish	60	.....	Q18.6%	2.3	7.0	7.9
60	38	Ansbacher (H.) 1p	38xd	.....	1.5	0.3	5.3	–
£55½	£42½	Bancaire Cie Fr100	£49	–1¼	Q15%	–	3.1	–
£17¼	£12½	Banco Bilbao Viz.	£17	......	Q49.1%	2.7	4.8	7.7
£30½	£21¾	Banco de Santander	£30½	–¼	Q28.7%	2.3	4.0	10.6
208	139	Bank Ireland IrI£1	201	–1	Q14.7%	2.9	6.6	7.1
£19½	£19½	Bank Leumi	£19½	...	–	–	–	–
350	350	Bank Leumi (U.K.)£1	350	......	16.0	–	6.1	–
146	111	Bank Scotland	143	–3	†4.55	3.4	4.2	9.1
110	96½	Do 9¼pc Irrd Pf £1	106	–½	9¼%	–	11.6	–
110½	99½	Do 9¾pc Irrd Pf £1	109¾	–½	9¾%	–	11.8	–
43	35	Bank of Wales	43	......	2.8	0.8	8.7	(20.7)
489	327	Barclays £1	455	–13	21.15	1.1	6.2	18.9
12	9	Benchmark 20p	10	......	0.75	–	10.0	–
252	195	Brown Shipley £1	251	......	‡12.0	2.2	‡	8.1
464	384	Cater Allen £1	441	......	F24.5	–	7.1	–
44	36	Chancery	36	......	†9.0	2.7	‡	1.4
£18⅝	£15	Commerzbk DM10	£18¼	...	Q18%	–	3.4	–
£231½	£191¾	Deutsche Bk DM50	£212¼	–1¾	Q28%	–	2.2	–
£9⅞	£7⅞	Dai Ichi KBk Y50	£9¼	–⅛	Q17%	6.2	0.3	46.1
£18½	£16¼	Espirito Santo	£18	......	Q75c	5.1	2.3	8.4
213	152	First Nat. Fin. 10p	206	–2	13.0	1.2	8.4	(12.2)
110	78	FNFC 6.3pc Cv. Pf. £1	108	......	6.3%	–	7.8	–
1100	867	Fuji Bank Y50	1082	–18	†Q17%	6.9	0.3	46.1
355	303	Gerrard & National	348	......	19.0	–	7.3	–
78	50½	Guinness Mahon 10p	51	......	1.45	–	3.8	–
193	193	HSBC Hldgs HK$10	193	...	Q38.18c	–	1.4	–
302	204	Hambros 20p	283	+2	†11.5	–	5.4	–
125	90	Do. 7.5pc Cv Pf £1	116	......	7½%	–	8.6	–
		For HK & Shanghai see HSBC Hldgs.						
413	378	Joseph (Leo) £1	408	...	15.85	–	5.2	–
153	121	King & Shaxson 20p	152	......	10.25	–	9.0	–
377	249	Kleinwort Benson Grp.	346xd	+1	16.0	–	6.2	–
491	382	Kyowa Bk Y50	491	+6	Q14%	3.8	0.6	46.4
379	268	Lloyds £1	362	–8	15.3	1.6	5.6	14.8
63	47	Lon. Scot. Bank 10p	61	–½	2.75	1.7	6.0	11.2
227	150	Midland £1	223	+4	9.0	–	5.4	–
£10½	832	Mitsubishi Bank Y50	£10½	+⅛	†Q17%	♦	0.3	♦
£7½	£6⅛	Mitsubishi Tst & Bk Y50	£7½	.....	Q17%	12.4	0.5	15.5
£8⅞	£6⅞	Mitsui Taiyo Kobe Y50	£8¼	–⅛	†Q16%	6.0	0.4	44.3
617	507	Mitsui Tst & Bk Y50	616	–1	Q17%	5.5	0.6	33.3
260	207	Nat. Aust. Bk A$1	257	+2	gQ55c	1.5	9.4	7.1
352½	247	NatWest £1	337	–7	17.5	0.6	6.9	31.0
£140	£100	Ottoman Bank	£140	+5	Q110%	♦	8.3	♦
45	24	Rea Bros. Group	42	.....	0.5	3.2	1.6	21.0
211	147	Royal Bk. Scotland	190	–4	8.4	2.3	5.9	9.7
469	377	Saitama Bank Y50	468	......	‡Q14%	♦	0.6	♦
£10⅛	£7½	Sanwa Bank Y50	£9⅝	+⅛	Q17%	6.7	0.4	42.3
840	640	Schroders £1	830xd	......	14.0	♦	2.2	♦
630	423	Do. £1 N/V	618xd	...	14.0	♦	3.0	♦
£16⅞	£9⅞	Sec. Pacific $10	£14¼	...	Q$2.52	–	9.9	–
399	205	Standard Chartd £1	395xd	+2	20.0	φ0.6	6.8	(45.7)
£9⅞	£7⅞	Sumitomo Bank Y50	£9⅞	......	‡Q16%	7.5	0.3	41.0
£7⅝	£5⅞	Sumitomo Tst & Bk Y50	£7⅞	+⅛	Q17%	6.9	0.5	31.6
165	124	TSB	149½	–1½	6.4	2.1	5.7	11.1
157	112	TSB Bank Ch'nel Is'l	153	–1	dQ8.0	3.8	5.2	6.2
£7⅞	£5⅞	Tokai Bank Y50	£7⅞	+⅛	Q16%	4.1	0.4	54.8
753	639	Toyo Tst & Bk Y50	723	–18	‡Q15.2%	6.9	0.4	34.5
600	540	Union Discount £1	574	–2	35.0	1.7	8.1	(8.7)
485	314	Warburg (S.G.)	444	–3	15.0	3.0	4.5	10.0
163	109	Do 6pc Cov Pf £1	148	–1	6%	–	5.4	–
183	128	Westpac $A1	176	–1	Q52.5c	1.2	13.0	6.3
353	286	Wintrust 20p	350	......	18.7	4.3	3.3	9.3
693	575	Yasuda Tst & Bk Y50	692	+3	Q17%	5.9	0.5	34.6

Hire Purchase, Leasing, etc.

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
50	30	CLF Yeoman 50p	35	...	‡Q18.5%	3.2	‡	1.7
57	40	Cambridge Grp Ir5p	51	+½	‡Q7½%	15.6	0.6	12.4
38½	36	Capital Leasing Ir10p	36	......	‡Q17%	3.5	3.3	8.9
78	52	Cattle's (Hdgs) 10p	74xd	......	3.8	♦	6.8	♦
512	390	Prov. Financial	485	–5	23.5	1.9	6.5	10.6
138⅝	119	Reflex Invs Ir5p	126	–2	‡Q51%	7.9	1.9	9.2
260	195	Secure Trust Grp 1p	259	......	10.5	♦	5.6	♦
210	140	Woodchester IR20p	207	–3	Q21.7%	♦	1.9	♦

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS – Contd

[illegible]

ELECTRICITY

[illegible]

ENGINEERING

[illegible]

ENGINEERING – Contd

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INDUSTRIALS (Miscel.) – Contd.

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LONDON SHARE SERVICE

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MOTORS, AIRCRAFT TRADES

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
80	50	ABI Leisure 10p	80	......	3.1	4.4	5.2	5.5
£7⅞	£5¾	DAF N V. Fl5	£7⅞	+⅛	–	–	–	–
109	79	General Mtrs Units	104	......	Q12½%	–	6.6	–
14	9	March Group 5p	14	......	–	–	–	–
£133¼	£101½	Volkswagen DM50	£123¼	–1¾	Q22%	3.5	3.0	9.7
£30⅛	£18¾	Volvo AB 'B' Kr25	£30⅛	–⅛	Q62%	♦	4.7	♦

Commercial Vehicles

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
158	115	ERF (Hldgs)	153	......	‡10.0	1.6	‡	9.3
73	48	Plaxton Grp	58	......	4.5	♦	10.3	♦

Components

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
468	453	Abbey Panels	468	......	3.5	10.8	1.0	12.4
140	123	Airflow Streamlines	138	......	6.0	3.0	5.8	7.7
147	140	Bostrom 5p	143	......	5.75	3.1	5.4	6.5
196	145	Dowty 50p	190	......	9.0	2.1	6.3	9.1
181	115	FR Group	180	......	6.37	3.1	4.7	9.2
120	69	Kwik-Fit Hldgs. 10p	108	......	2.75	♦	3.4	♦
173	125	Lucas Inds.	159	–5	7.0	2.2	5.9	9.0

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Contd

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

INVESTMENT TRUST

INVESTMENT TRUST—Contd

INVESTMENT TRUST—Contd

Net asset values supplied by County NatWest Wood Mackenzie

FINANCE, LAND, ETC

WATER

OIL AND GAS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Contd

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

TRADITIONAL OPTIONS

3-month call rates

Industrials

Property

Oils

Mines

FT MANAGED FUNDS SERVICE

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (▼) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

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FT MANAGED FUNDS SERVICE

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	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Swiss Life Unit Tst Man Co Ltd (1200)F						
Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex						
Enquiries: 0277 227300 Dealing 0277 261010						
Equity Dist	5½	427.6	435.1	460.4	-1.6	3.65
Equity Acc	5½	594.7	605.2	640.4	-2.3	3.65
Fixed Int Dist	5½	113.2	115.3	119.5	-0.2	8.53
Fixed Int Acc	5½	240.7	245.3	254.2	-0.4	8.53
UK Index Track Dist	5	99.12	100.1	105.9	-0.6	4.16
UK Index Track Acc	5	103.7	104.6	110.7	-0.7	4.16
TSB Unit Trusts (1200)H						
Charlton Pl, Andover, Hants. SP10 1RE 0264 346794						
TSB American	6	134.35	134.35	142.92	-0.48	0.37
Do Accum	6	146.85	146.85	156.22	-0.53	0.37
TSB Brit Growth	6	73.97	75.12xd	79.91	-0.44	3.26
Do Accum	6	82.85	84.14xd	89.51	-0.49	3.26
TSB European	6	74.33	74.33	79.07	-0.28	1.09
Do Accum	6	77.03	77.03	81.94	-0.29	1.09
TSB Extra Income	6	164.82	168.46xd	179.21	-0.46	5.09
Do Accum	6	237.66	242.92xd	258.42	-0.95	5.09
TSB Smaller Cos	6	45.05	46.57xd	49.54	+0.01	2.6
Do Accum	6	47.67	49.28xd	52.42	+0.01	2.6
TSB General	6	229.69	229.69	244.35	-1.42	3.46
Do Accum	6	428.57	428.57	455.92	-2.46	3.46
TSB Premier Income	5	44.63	45.25	47.13	-0.15	8.62
Do Accum	5	79.87	80.98	84.35	-0.27	8.62
TSB Income	6	308.77	314.27	334.32	-2.1	4.79
Do Accum	6	573.99	584.22	621.51	-3.89	4.79
TSB Pacific	6	238.75	238.76	253.99	-1.13	0.37
Do Accum	6	248.34	248.43	264.28	-1.17	0.37
TSB International	6	396.94	396.94	422.27	-0.01	0.84
Do Accum	6	509.15	509.15	541.64	-0.05	0.84
TSB Nat Resources	6	62.65	62.65xd	66.64	+0.3	0.41
Do Accum	6	68.26	68.26xd	72.61	+0.4	0.41
TSB Special Opps	6	80.04	81.78xd	86.99	-0.17	2.98
Do Accum	6	96.42	98.52xd	104.8	-0.21	2.98
Environmental Inv	6	47.63	48.44	51.53	+0.32	2.0

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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N & P Life Assurance Ltd
6-7 Bedford Row, London, WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Fd	105.3	112.8	-0.3	-
Pension Managed Fd	102.5	107.9	-0.1	-
Life Deposit Fd	105.8	111.4	+0.1	-
Pension Deposit Fd	110.4	116.2	+0.1	-

National Financial Management Corp PLC
72 Gatehouse Rd, Aylesbury, HP19 3XJ 0296 395539

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Managed Cautionary	112.5	123.0	+0.5	-
Managed Growth	139.2	152.2	+0.4	-
Managed Opportunity	136.7	150.3	+0.1	-
NFMC Target Financial	104.5	112.4	+0.8	-
Pension Funds				
Managed Cautionary	120.7	131.2	+0.3	-
Managed Growth	145.8	159.4	+0.4	-
Managed Opportunity	138.0	150.9	+0.1	-
NFMC Target Mngd Pens	1513.9	1645.6	----	-

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or -	Yield Gross
Harvester Pension Funds				
Managed	160.1	168.6	----	-
UK Equity	169.1	178.1	----	-
Overseas Equity	133.3	140.4	----	-
Fixed Interest	143.1	150.7	----	-
Property	130.6	137.5	----	-
Index Linked	146.3	154.1	----	-
Deposit	153.4	161.5	----	-
With Profits (B)	127.1	133.8	----	-

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	352.4	371.0	-0.5	-
UK Equity	449.5	473.2	-1.4	-
Overseas Eq	343.0	361.1	+0.2	-
American	276.1	290.7	+1.5	-
Far East	375.4	395.2	+0.3	-
Property	194.1	204.4	----	-
[illegible]				

Prosperity Life Assurance Ltd
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 690555

	Bid Price	Offer Price	+ or -	Yield Gross
Initial Equity	156.0	164.5	+0.5	-
Accum Equity	221.5	233.5	-1.0	-
Accum Managed	227.5	240.0	+0.5	-
Accum Five Star	170.0	179.5	-0.5	-
Accum World	123.0	129.5	-0.5	-
Accum Lifetime	113.5	113.5	----	-
Pens Acc Equity	241.5	254.5	-1.0	-
Pens Acc Managed	284.5	300.0	-0.5	-
Pens Acc Intl	209.0	220.5	----	-
Pens Acc Deposit	195.0	205.5	----	-
Pens Acc Five Star	187.5	198.0	-0.5	-

Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc	229.5	242.1	-0.6	-
UK Fixed Int Acc	169.8	179.2	+0.1	-
Intl Equities Acc	178.1	187.9	+0.3	-
UK Managed Acc	174.5	184.0	-0.1	-
Property Acc	225.8	238.2	----	-
Money Acc	127.4	134.4	+0.1	-
Special Market Acc	130.8	138.0	+0.9	-
Japan Equity Acc	109.1	115.1	+0.6	-
North American Acc	103.5	109.2	+0.2	-
Pacific Acc	94.5	99.7	+0.4	-
Technology Acc	122.2	129.0	+2.4	-
Nat Resources Acc	54.4	57.4	----	-
European Acc	100.8	106.4	-0.4	-
Residential Prop Acc	96.3	101.6	----	-
Swiss Equities Acc	35.7	37.7	-0.1	-
Hong Kong Acc	63.4	66.9	----	-
UK High Inc Eq Acc	76.2	80.4	-0.3	-
Int Fixed Interest Acc	55.5	58.6	-0.1	-
Int Managed Acc	56.7	59.8	+0.1	-
HIP Managed Acc	111.8	117.9	----	-
HIP Managed II Acc	98.8	104.2	+0.1	-
HIP Managed III Acc	104.5	110.2	+0.2	-
Total Investment Bond				
UK Equity Initial		156.6	-0.3	-
UK Fixed Int Initial		116.1	+0.1	-
Intl Equities Initial		120.8	+0.2	-
UK Managed Initial		119.9	----	-
Property Initial		155.3	-0.1	-
Money Initial		87.5	----	-
[illegible]				

CMI Insurance Co Ltd—Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Benelux Equity	$0.4600	0.4950	+0.001	-
Dollar Funds				
Antipodean Equity	$0.5310	0.5710	-0.001	-
Canadian Equity	$0.4650	0.5010	----	-
Japanese Equity	$0.5085	0.5470	----	-
US Equity	$0.4650	0.5010	----	-
SE Asia Equity	$0.5830	0.6270	-0.003	-
US Bond	$0.4710	0.5070	----	-
Japan Bond	$0.4330	0.4660	-0.001	-
US$ Currency Reserve	$0.4710	0.5070	----	-
[illegible]				

James Campbell & Son Financial Services
38 Railway Rd, Coleraine Co. Londonderry 0265 44321

	Bid Price	Offer Price	+ or -	Yield Gross
Executive Pension	121.7	128.2	----	-
Investment Portfolio	161.1	169.6	----	-

Chase de Vere PLC
63 Lincoln's Inn Fields, London WC2A 3JX 071-404 5766

	Bid Price	Offer Price	+ or -	Yield Gross
New Trust Fd	102.2	107.5	+0.2	-
Safeguard Fd	96.2	101.3	-0.1	-
United Kingdom Fd	150.8	158.5	+0.3	-
Worldwide Fd	116.0	122.1	+0.6	-

Hambros Fd Mgrs (CI) Ltd
PO Box 255, Guernsey 0481 715454

[illegible]

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)

[illegible]

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	Bid Price	Offer Price	+ or -	Yield Gross
U.S. Treasury Securities Fund Ltd				
Short Term Shares	$756.65		.....	–
Fixed Income Shares	$880.19		.....	–
Yamaichi Capital Mangmt (Guernsey) Ltd				
Japan Meta Growth	$11.20		-0.04	–
Yamaichi GS Fund	$8.27		-0.06	–
Yamaichi CB Plus Fund	$8.72		-0.01	–
Thai Inv Fund	$11.52		.....	–

IRELAND (SIB RECOGNISED)

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
GAM Fund Management Ltd (a) 29 Kildare Street, Dublin 010 353 1760 690						
GAM Universal US $ Acc		$–	113.53		.....	–
GAM Universal US $ Inc		$–	113.53		.....	–
GAM Universal DM Acc		DM–	118.90		.....	–
GAM Universal DM Inc		DM–	118.90		.....	–
MI Global Asset Mngmt Co Ltd "MI Trusts"						
MI Global Dollar		$–	0.99	1.06	.....	–

IRELAND (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
Bank of Ireland Unit Managers Ltd				
Global Scan	$10.04	10.34	.....	–
European Bond	[illegible]	[illegible]	.....	–
Investor Portfolio				
EquityAmerica	$11.25	11.94	.....	–
EquityEurope	$9.69	10.28	.....	–
BondAmerica	$10.35	10.98	.....	–
BondEurope	$9.55	10.14	.....	–
BondJapan	$9.88	10.49	.....	–
World Inv Trust	$10.83	11.49	.....	–
Opportunity Europe	$11.28	11.97	.....	–
Baring International Fd Mngrs (Ireland) Ltd				
Australia	$14.88	15.63	-0.08	1.05
Japan Tech	$66.17	69.48	-0.63	–

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
INVESCO MIM International (Jersey) Ltd PO Box 271, St Helier, Jersey 0534 73114						
Jersey Gilt (z)	5¼	10.1724	0.1724	0.1817	[illegible]	9.00
Lloyds Bank (CI) U/T Mgrs. PO Box 195, St Helier, Jersey 0534 27561						
Lloyds Tst. Gilt	2½	9.359	9.374	9.629	[illegible]	11.44
Dealing daily						
Midland Bank Fund Managers (Jersey) Ltd PO Box 26, St Helier, Jersey 0534 37788						
Intl Crnst.Portfolio	6	102.06	102.06	108.23	-0.11	1.62
Gilt	3	91.95	91.95	94.82	.....	10.55
For MIM see INVESCO MIM						
Royal Trust Jsy Fd Mngt Ltd (1400)F PO Box 428, St Helier, Jersey 0534 76077						
Govt.Secs Fd	4	55.98	55.98	58.47	+0.09	11.12
TSB Trust Funds (CI) PO Box 538, St Helier, Jersey 0534 73494						
TSB Offshore Investment Fund Ltd						
Stg Deposit Class	3	101.47	101.47	104.52	+0.11	12.15
Gilt & Fixed Interest	5	102.22	102.22	105.28	-0.75	11.43
Blue Chip & Gilt Edged	5	49.75	49.75	53.07	+0.04	5.46
International Bond	5	108.07	108.07	113.50	+1.18	7.52
UK Equity	5	106.49	106.49	115.05	+0.57	1.62
International Equity	5	108.72	108.72	116.37	+0.86	0.45
Far Eastern	5	96.42	96.42	105.10	+0.34	0.00
European	5	86.94	86.94	91.95	-0.12	0.42
Pan American	5	105.75	105.75	112.47	+1.44	0.79
TSB Gilt Fund Ltd						
Quarterly Share	3	96.20	96.20	99.23	-0.17	10.28
Monthly Share	3	95.94	95.94	98.94	-0.17	10.31

JERSEY (REGULATED)(**)

Barclays Intl Funds

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)(**)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

LUXEMBOURG (SIB RECOGNISED)

[illegible]

LUXEMBOURG (REGULATED)(**)

[illegible]

SWITZERLAND (SIB RECOGNISED)

[illegible]

OTHER OFFSHORE FUNDS

[illegible]

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound firm

THE DOLLAR finished in Europe above Friday's levels, but below its close yesterday in Tokyo. Trading was subdued, with the US currency failing to attack the DM1.70 level, despite the underlying weakness of the German currency and the failure of the US Federal Reserve to ease its monetary stance on Friday.

Demand for the dollar increased after the Fed left its credit policy unchanged last week. A sharper than expected rise in US unemployment and a large fall in non-farm employment drew no response from the central bank, leaving the market to wait for this Thursday's US producer prices and Friday's consumer price index to see if the position on inflation prompts lower interest rates.

Analysts have noted that inflation in January and February was boosted by special factors, including higher taxes on luxury goods and services, and that core inflation in March - stripping out energy and food prices - should be much lower.

This has given rise to expectations that core year-on-year inflation in March will be below the February figure of 5.7 per cent and may prompt easing by the Fed.

The dollar's recovery from the trading low of DM1.4430 touched in mid-February has been based on speculation that the US economy is moving out of recession, but there has been little concrete evidence of a recovery so far. The market is nervous that the Fed will cut its discount rate and the target rate for Federal funds from 6 per cent if the inflation picture allows.

At last night's close in London the dollar had climbed to DM1.6885 from DM1.6735, but was below the Tokyo close of DM1.6925. It also rose to Y137.25 from Y136.30; to SFr1.4325 from SFr1.4120; and to FFr5.7125 from FFr5.6650. On Bank of England figures the dollar's index advanced to 65.3 from 64.8.

Sterling was the second strongest member of the European exchange rate mechanism, ahead of the Italian lira, but still well below the strong Spanish peseta.

The pound fell with other members of the ERM against the dollar, losing 95 points to to $1.7690, but rose to DM2.9875 from DM2.9775. Sterling also climbed to FFr10.1050 from FFr10.0750; to SFr2.5350 from SFr2.5100; and to Y242.75 from Y242.50. Its index finished unchanged at 92.8.

The Bank of Spain sold pesetas and bought French francs as the French currency hit its ERM floor of Pta18.253. This reflected a firming of Spanish interest rates. The Bank of Spain's overnight assistance rates to its domestic money market rose 0.1 per cent last week, supporting the view that credit policy is unlikely to be eased in the immediate future.

In Paris the franc rose to its highest level against the D-Mark since December, with the German currency falling to FFr3.3812 from FFr3.3851.

£ IN NEW YORK

Apr.8	Latest	Previous Close
£ Spot	1.7700-1.7710	1.7750-1.7760
1 month	0.90-0.88pm	0.90-0.87pm
3 months	2.50-2.47pm	2.55-2.52pm
12 months	7.18-7.08pm	7.30-7.20pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Apr.8	Previous
8.30 am	92.6	92.9
9.00 am	92.6	93.0
10.00 am	92.6	92.9
11.00 am	92.7	92.9
Noon	92.6	92.8
1.00 pm	92.7	92.9
2.00 pm	92.8	92.9
3.00 pm	92.9	93.0
4.00 pm	92.8	92.8

CURRENCY MOVEMENTS

Apr 8	Bank of England Index	Morgan** Guaranty Changes %
Sterling	92.8	-19.6
U.S Dollar	65.3	-13.6
Canadian Dollar	104.5	+1.9
Austrian Schilling	108.7	+11.1
Belgian Franc	110.4	-2.6
Danish Krone	108.4	+3.3
D-Mark	116.6	+23.4
Swiss Franc	112.3	+22.0
Dutch Guilder	112.9	+15.2
French Franc	102.5	-13.4
Lira	98.9	-19.7
Yen	135.2	+67.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Apr.5

CURRENCY RATES

Apr 8	Bank rate %	Special * Drawing Rights	European † Currency Unit
[illegible]	[illegible]	[illegible]	[illegible]

* European Commission Calculations. † All SDR rates are for Apr.5

OTHER CURRENCIES

Apr 8	£	$
[illegible]	[illegible]	[illegible]
Kuwait	N/A	N/A
Luxembourg	61.35 - 61.45	34.65 - 34.75
Malaysia	4.8575 - 4.8665	2.7485 - 2.7515
Mexico	5288.80 - 5309.20	2986.00 - 2996.00
N Zealand	2.9865 - 2.9915	1.6855 - 1.6885
Saudi Ar	6.5610 - 6.6075	3.7490 - 3.7510
Singapore	3.1215 - 3.1285	1.7670 - 1.7700
S Af (Cm)	4.7985 - 4.8100	2.7170 - 2.7185
S Af (Fn)	5.8970 - 5.9965	3.3280 - 3.3840
Taiwan	48.55 - 48.65	27.40 - 27.45
U.A.E.	6.4245 - 6.4720	3.6720 - 3.6740

* Selling rate

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Apr 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7565 - 1.7735	1.7685 - 1.7695	0.90-0.88cpm	6.04	2.52-2.49pm	5.66
Ireland†	1.5750 - 1.5845	1.5830 - 1.5840	0.55-0.50cpm	3.98	1.60-1.50pm	3.92
Canada	1.1530 - 1.1545	1.1535 - 1.1545	0.33-0.36cdis	-3.59	0.94-0.95dis	-3.28
Netherlands	1.8980 - 1.9115	1.9020 - 1.9030	0.47-0.50cdis	-3.06	1.44-1.49dis	-3.08
Belgium	34.65 - 34.85	34.65 - 34.75	8.50-10.50cdis	-3.29	25.00-29.00dis	-3.11
Denmark	6.4725 - 6.5000	6.4750 - 6.4800	1.85-2.15oredis	-3.71	5.65-6.25dis	-3.67
Germany	1.6840 - 1.6980	1.6880 - 1.6890	0.39-0.41pfdis	-2.84	1.25-1.28dis	-3.00
Portugal	147.35 - 148.10	147.45 - 147.55	56-66cdis	-4.96	215-240dis	-6.17
Spain	103.95 - 104.75	103.95 - 104.05	64-69cdis	-7.67	185-192dis	-7.25
Italy	1249.00 - 1259.00	1252.00 - 1252.50	5.40-5.90liredis	-5.41	16.30-17.30dis	-5.37
Norway	6.5570 - 6.6000	6.5650 - 6.5700	2.20-2.55oredis	-4.34	6.80-7.30dis	-4.29
France	5.6950 - 5.7375	5.7100 - 5.7150	1.51-1.56cdis	-3.22	4.51-4.63dis	-3.20
Sweden	6.0740 - 6.1080	6.0800 - 6.0850	2.90-3.15oredis	-5.97	8.90-9.35dis	-6.00
Japan	136.55 - 137.30	137.20 - 137.30	0.22-0.24ydis	-2.01	0.57-0.61dis	-1.72
Austria	11.8675 - 11.9320	11.8730 - 11.8780	5.50-6.30grodis	-5.96	8.40-9.60dis	-3.03
Switzerland	1.4260 - 1.4350	1.4320 - 1.4330	0.27-0.30cdis	-2.39	0.78-0.83dis	-2.25
Ecu	1.2150 - 1.2240	1.2215 - 1.2225	0.34-0.32cpm	3.24	1.01-0.97pm	3.24

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

POUND SPOT - FORWARD AGAINST THE POUND

Apr 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7565 - 1.7735	1.7685 - 1.7695	0.90-0.88cpm	6.04	2.52-2.49pm	5.66
Canada	2.0285 - 2.0460	2.0435 - 2.0445	0.46-0.38cpm	2.47	1.27-1.21pm	2.43
Netherlands	3.3570 - 3.3705	3.3600 - 3.3700	1-¾cpm	3.12	2⅜-2¼pm	2.67
Belgium	61.10 - 61.60	61.35 - 61.45	16-13cpm	2.83	43-36pm	2.57
Denmark	11.4055 - 11.4760	11.4525 - 11.4625	2½-2¼orepm	2.42	6¼-5½pm	2.05
Ireland	1.1120 - 1.1200	1.1165 - 1.1175	0.20-0.15cpm	1.88	0.50-0.40pm	1.61
Germany	2.9795 - 2.9915	2.9850 - 2.9900	⅞-¾pfpm	3.26	2¼-1⅞pm	2.68
Portugal	259.55 - 261.90	260.80 - 261.90	36-16cpm	1.19	1-47dis	-0.37
Spain	183.50 - 184.85	183.85 - 184.15	17-29cdis	-1.50	58-74dis	-1.43
Italy	2206.95 - 2220.60	2214.75 - 2215.75	2-parlirepm	0.54	4-2pm	0.54
Norway	11.5765 - 11.6475	11.6125 - 11.6225	2-1½orepm	1.81	4½-4pm	1.46
France	10.0685 - 10.1190	10.1000 - 10.1100	2½-2¼cpm	2.82	6⅝-6¼pm	2.55
Sweden	10.7175 - 10.7865	10.7550 - 10.7650	⅛-¼orepm	0.28	¼-¾dis	-0.19
Japan	240.80 - 243.25	242.25 - 243.25	⅞-¾ypm	4.02	2½-2¼pm	3.91
Austria	20.90 - 21.05	21.01 - 21.04	6¼-5gropm	3.17	15½-13¾pm	2.75
Switzerland	2.5200 - 2.5400	2.5300 - 2.5400	⅜-¼cpm	3.85	2⅜-2¼pm	3.55
Ecu	1.4430 - 1.4530	1.4465 - 1.4475	0.36-0.31cpm	2.78	0.67-0.61pm	1.77

Commercial rates taken towards the end of London trading. Six-month forward dollar 4.55-4.50cpm. 12 Month 7.33-7.29pm

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Apr 8	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	127.273	-4.76	6.17	83
Sterling	0.696904	0.690686	-0.89	2.03	16
Italian Lira	1538.24	1529.89	-0.54	1.68	35
Belgian Franc	42.4032	42.4163	0.03	1.09	6
D-Mark	2.05586	2.06191	0.29	0.83	-9
Dutch Guilder	2.31643	2.32328	0.30	0.82	-7
Irish Punt	0.767417	0.772430	0.65	0.46	-16
Danish Krone	7.84195	7.90645	0.82	0.30	-30
French Franc	6.89509	6.97253	1.12	0.00	-53

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. Adjustment calculated by Financial Times.

EURO-CURRENCY INTEREST RATES

Apr 8	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	8½ - 8¼	8½ - 8¼	8½ - 8⅜	8⅜ - 8¼	8¼ - 8⅛	7⅞ - 7¾
D-Mark	8⅝ - 8½	8⅞ - 8¾	9 - 8⅞	9⅛ - 9	9¼ - 9⅛	9¼ - 9⅛
French Franc	9⅝ - 9½	9⅜ - 9¼	9⅜ - 9¼	9⅜ - 9¼	9½ - 9⅜	9½ - 9⅜
Italian Lira	13 - 11	11½ - 10½	11¾ - 11½	11⅝ - 11½	11⅝ - 11½	11⅝ - 11½
Belgian Franc	9 - 8¾	9⅛ - 9	9¼ - 9⅛	9⅜ - 9¼	9⅜ - 9¼	9⅜ - 9¼
Yen	8⅜ - 8¼	8¼ - 8⅛	8¼ - 8⅛	7¾ - 7⅝	7¾ - 7⅝	7⅝ - 7½
Danish Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian $Sing.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long term Eurodollars: two years 7½-7⅜ per cent; three years 7¾-7⅝ per cent; four years 8⅛-8 per cent; five years 8⅜-8¼ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Apr.8	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	ECU
£	1	1.769	2.988	242.8	10.11	2.535	3.365	2215	2.044	61.40	1.447
$	0.565	1	1.689	137.3	5.715	1.433	1.902	1252	1.155	34.71	0.818
DM	0.335	0.592	1	81.26	3.384	0.848	1.126	741.3	0.684	20.55	0.484
YEN	4.119	7.286	12.31	1000.	41.64	10.44	13.86	9123	8.418	252.9	5.960
F Fr.	0.989	1.750	2.955	240.2	10.	2.507	3.328	2191	2.022	60.73	1.431
S Fr.	0.394	0.698	1.179	95.78	3.988	1	1.327	873.8	0.806	24.22	0.571
H Fl.	0.297	0.526	0.888	72.15	3.004	0.753	1	658.2	0.607	18.25	0.430
Lira	0.451	0.799	1.349	109.6	4.564	1.144	1.519	1000.	0.923	27.72	0.653
C$	0.489	0.865	1.462	118.8	4.946	1.240	1.646	1084	1	30.04	0.708
B Fr.	1.629	2.881	4.866	395.4	16.47	4.129	5.480	3607	3.329	100.	2.357
ECU	0.691	1.223	2.065	167.8	6.987	1.752	2.326	1531	1.413	42.43	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS — [illegible]

LIFFE US TREASURY BOND FUTURES OPTIONS — [illegible]

LIFFE BUND FUTURES OPTIONS — [illegible]

LIFFE EUROMARK OPTIONS — [illegible]

LIFFE EURODOLLAR OPTIONS — [illegible]

LIFFE SHORT STERLING OPTIONS — [illegible]

LONDON (LIFFE)

[illegible]

CHICAGO

[illegible]

PHILADELPHIA SE £/$ OPTIONS — [illegible]

20 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES — [illegible]

THREE-MONTH PIBOR FUTURES (MATIF) — [illegible]

CAC-40 FUTURES (MATIF) — [illegible]

ECU BOND (MATIF) — [illegible]

OPTION ON LONG-TERM FRENCH BOND (MATIF) — [illegible]

Estimated volume 45,626 Total Open Interest 284,113

FT FOREIGN EXCHANGE RATES — [illegible]

BASE LENDING RATES

	%		%		%
ABN Bank	12½	Co-operative Bank	12½	Nat Bk. of Kuwait	13½
Adam & Company	12½	Coutts & Co	12½	NatWestminster	12½
Allied Trust Bank	12½	Cyprus Popular Bk	12½	Northern Bank Ltd	12½
AIB Bank	12½	Dunbar Bank PLC	12½	Nykredit Mortgage Bank	13
● Henry Ansbacher	12½	Duncan Lawrie	12½	Provincial Bank PLC	15
B & C Merchant Bank	12½	Equatorial Bank plc	12½	Roxburghe Bank Ltd.	13½
Bank of Baroda	12½	Exeter Bank Limited	13	Royal Bk of Scotland	12½
Banco Bilbao Vizcaya	12½	Financial & Gen. Bank	12½	● Smith & Williamson Secs.	12½
Bank Credit & Comm	12½	First National Bank Plc.	15	Standard Chartered	12½
Bank of Cyprus	12½	● Robert Fleming & Co.	12½	TSB	12½
Bank of Ireland	12½	Robert Fraser & Ptnrs.	13	Unibank plc	12½
Bank of India	12½	Girobank	12½	● United Bk of Kuwait	12½
Bank of Scotland	12½	● Guinness Mahon	12½	United Mizrahi Bank	12½
Banque Belge Ltd	12½	● Hambros Bank	12½	Unity Trust Bank Plc	12½
Barclays Bank	12½	Hampshire Trust Plc	13½	Western Trust	12½
Benchmark Bank	13	Heritable & Gen Inv Bnk.	12½	Westpac Bank Corp.	12½
Brit Bk of Mid East	12½	● Hill Samuel	12½	Whiteaway Laidlaw	12½
● Brown Shipley	12½	C. Hoare & Co.	12½	Yorkshire Bank	12½
CL Bank Nederland	12½	Hongkong & Shanghai	12½		
● Charterhouse Bank	12½	● Leopold Joseph & Sons	12½		
Citibank NA	12½	Lloyds Bank	12½		
City Merchants Bank	12½	Meghraj Bank Ltd	12½		
Clydesdale Bank	12½	McDonnell Douglas Bnk.	12½		
Comm. Bk. of London Plc	12½	Midland Bank	12½		
		Mount Banking	12½		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKETS

A downward trend

INTEREST RATES maintained a downward trend on the London money market yesterday, as sterling held firm in the ERM and dealers remained optimistic about an early cut in UK bank base rates.

There was no reaction to news that UK retail sales fell a final 0.1 per cent in February, compared with a provisional 0.1 per cent rise.

UK clearing bank base lending rate 12.5 per cent from March 22, 1991

Three-month sterling interbank declined to 12⅛-12 from 12⅛-12¼ per cent, virtually discounting another reduction of ½ point in lending rates. One-year money was quoted at 11⅜-11¼ against 11½-11¼ per cent previously.

The Bank of England initially forecast a day-to-day credit shortage of £750m, but revised this to £850m at noon and to £950m in the afternoon. Total assistance of £760m was provided.

An early round of help was offered and at that time the authorities bought £9m bills outright, by way of £5m bank bills in band 1 at 12⅜ per cent and £4m bank bills in band 2 at 12¼ per cent.

Before lunch another £77m bills were purchased, via £26m bank bills in band 1 at 12⅜ per cent; £1m Treasury bills in band 2 at 12¼ per cent; and £50m bank bills in band 2 at 12¼ per cent.

In the afternoon £654m bills were bought, through £10m Treasury bills in band 1 at 12⅜ per cent; £271m bank bills in band 1 at 12⅜ per cent; £20m Treasury bills in band 2 at 12¼ per cent; and £353m bank bills in band 2 at 12¼ per cent. Late assistance of around £20m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £658m, with the unwinding of repurchase agreements on bills absorbing £620m and bank balances below target £230m. These outweighed exchequer transactions adding £100m to liquidity and a fall in the note circulation of £645m.

In Frankfurt call money was steady at 8.80 per cent, waiting for the Bundesbank to set a one-month securities repurchase agreement tender today. There was nervousness last week that Germany's economic problems and the weakness of the D-Mark would encourage the central bank to push rates higher by offering a variable bid rate tender. But this was not the case and another obvious opportunity for tighter monetary policy is not until next week when the Bundesbank holds a council meeting.

FT LONDON INTERBANK FIXING

(11.00 a.m. Apr 8) 3 months US dollars		6 months US Dollars	
bid 6⅛	offer 6¼	bid [illegible]	offer [illegible]

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime) — Treasury Bills and Bonds — [illegible]

Apr 8	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON MONEY RATES

Apr 8	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interbank Bid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sterling CDs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Local Authority Deps.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Local Authority Bonds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Discount Mkt Deps	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Company Deposits	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance House Deposits	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treasury Bills (Buy)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bank Bills (Buy)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fine Trade Bills (Buy)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dollar CDs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SDR Linked Dep. Offer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SDR Linked Dep. Bid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ECU Linked Dep. Offer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ECU Linked Dep. Bid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

LEGAL NOTICES

BUCKNALL INVESTMENTS LTD T/A ADMIRAL RODNEY HOTEL

Registered number 2232305
Nature of business: Hotel
Trade classification 47
Date of appointment of joint administrative receivers: 27 March 1991
Name of person appointing the joint administrative receivers: Guardian Assurance Plc
JOHN FREDERICK POWELL and STEPHEN JONATHAN TAYLOR
Joint Administrative Receivers
(Office holder nos 249 and 7821) of Cork Gully, Abacus House, 32, Friar Lane, Leicester, LE1 5RA

Green & Padgett Limited

in Receivership

Registered Number 412679

We, J D Harrison and I D B Bond of Cork Gully, Bank House, Charlotte Street, Manchester M1 4SX give notice that we were appointed Joint Administrative Receivers of Green & Padgett Limited by Midland Bank PLC on 21 March 1991.

We were appointed under the powers contained in a debenture dated 14 October 1983 covering all the assets of the above company.

J D Harrison
Joint Administrative Receiver

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

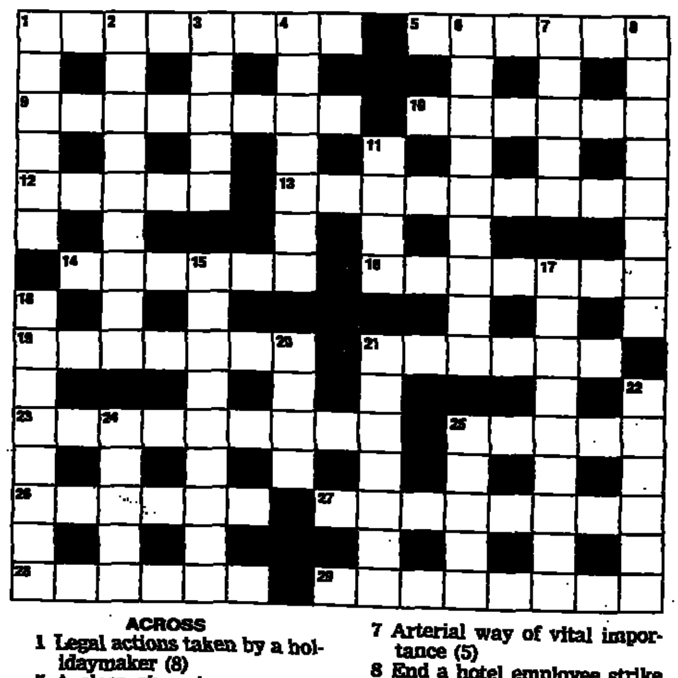
Money Market Bank Accounts

[illegible]

JOTTER PAD

CROSSWORD

No.7,513 set by DANTE



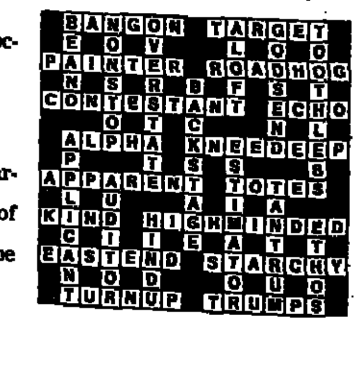
ACROSS

1 Legal actions taken by a holidaymaker (8)
5 A class given by an expert cellist (6)
9 Support for those in temporary accommodation (4-4)
10 It will grow more by development (6)
12 Is paid pots, say (5)
13 He can't be trusted when given a hand (4-5)
14 Like marquetry of fashionable Dali design (6)
16 Putting in charge (7)
19 Just the night for play (7)
21 No rise for those more advanced in service (6)
23 A short romance (9)
25 Where we head to make us hot (5)
26 His bank account is often misleading (6)
27 A touch of exaltation (8)
28 Elegant - like a female doctor? (6)
29 WWII bomber in battle (8)

DOWN

1 It's me dog! (6)
2 Not knowing about one caring (9)
3 Outstanding features of space (5)
4 In this way is bound to be comforted (7)
6 Entry to a profession (9)
7 Arterial way of vital importance (5)
8 End a hotel employee strike (8)
11 Means of transport, sometimes sprung (4)
15 The horror of a legal state losing its head (9)
17 New clue into a way to needle someone? (9)
18 Normal colours (8)
20 Loathe articles in disorder (4)
21 It is used for duplicating clients's letters (7)
22 Help out General Motors with aplomb (6)
24 Unsure how to combat the shivers (5)
25 Sort of enemy you've cursed? (5)

Solution to Puzzle No.7,512



WORLD STOCK MARKETS

AUSTRIA

April 8	Sch	+ or −
Austrian Airlines	3,680	+145
Creditanstalt	3,410	+110
EA General	4,690	....
Jungbunzlauer	11,350	+450
Laenderbank	1,380	+20
OeMV	9,980	−60
Perlmooser Zement	1,510	+10
Radex Heraklith	875	−15
Reininghaus Brue	2,070	−10
Steyr Daimler	411	−2
Veitscher Magnesit	826	−6
Verbund (Br) A	531	−4
Wienerberger	5,950	+60

BELGIUM/LUXEMBOURG

April 8	Frs.	+ or −
ACEC-Union Min	2,700	....
Arbed	4,400	−40
BBL	3,000	....
Bank Intl a Lux	12,300	−500
Banq Gen Lux Pts	12,400	....
Barco	1,440	+10
Bekaert	9,800	−60
CBR Ciment	8,220	+20
Cobepa	5,390	....
Cobepa AFV 1	5,250	−80
Cockerill Priv	169	−1
Colruyt	3,120	−5
Delhaize Frs Lion	7,700	+80
Electrabel	4,850	−20
Electrabel AFV	4,800	−30
Electrafina ACT	3,050	+10
Fabrique Nat	133	+4
GBL AFV 1	3,605	−30
GIB Group AFV	1,296	+6
GBL	3,770	+30
GIB Group	1,322	−8
Gechem	734	−24
Gechem AFV	730	....
Generale Banque	5,370	....
Gen Banque AFV 1	5,430	....
Gevaert	7,490	....
Kredietbank	4,100	....
Kredietbk AFV	4,135	−55
Pan Holding Lux	13,550	−50
Petrofina	11,500	....
Powerfin	2,800	−10
Powerfin AFV	2,810	+10
Royale Belge	4,640	−110
Royale Belge AFV 1	4,600	−100
Soc Gen Belge	2,270	−10
Soc Gen Belge AFV	2,355	−25
Sofina	12,225	+25
Solvay	13,000	....
Tessenderlo	6,990	−60
Tessenderlo AFV	6,760	−10
Tractabel	8,600	−110
Tractebel AFV 1	8,400	....
UCB	19,075	+50
UCB AFV	18,700	....
Wagons Lits	7,970	+170
Wagons Lits AFV	7,700	+10

DENMARK†

April 5	Kr	+ or −
Baltica Holding Reg	800	....
Carlsberg A	1,620	....
D/S 1912 A	98,100	....
Danisco	970	....
Den Danske Bank	322	....
East Asiatic	194	....
FLS Ind B	931	....
Gen Store Nord	849	....
Hafnia Invest A	735	....
ISS Intl Serv B	915	....
Jyske Bank Reg	390	....
Lauritzen (J) B	1,480	....
NKT A/S	375	....
Novo Nord B	402	....
Sophus Berend B	1,520	....
Superfos	4,870	....
TopDanmark	1,000	....
Unidanmark A	269	....

FINLAND

April 8	Mka	+ or −
Amer	65.10	+0.10
Cultor	54.10	....
Enso R	19.90	+2.40
Huhtamaki I Free	105	+1
KOP	37	−1
Kone	545	....
Kymmene	81	....
Metra B Free	93	....
Nokia Pref Free	84	....
Pohjola B Free	93	....
Repola (Free)	77	+2.50
Stockmann B	130	....
Tampella Free	30	....
UBF C	27.50	+1.90

FRANCE

April 8	Frs.	+ or −
Accor	830	+5
Air Liquide	725	−10
Alcatel Alsthom	601	+1
Arjomari Prioux	2,200	−39
Auxil Entrepr	1,115	−10
Axa	1,160	−5
BIC	783	....
BSN	850	−1
BNP Cert Inv	288	−7
Bancaire Cie	500xd	....
Beghin-Say	695	−1
Beghin Say Cert Inv	565	+5
Bongrain	2,640	−40

FRANCE (continued)

April 8	Frs.	+ or −
Bouygues	614	....
CGIP	1,142	+2
C M B Packaging	146.60	−0.20
Canal+	999	−5
Cap Gemini S	420	−4
Carrefour	3,858	+58
Casino	146.80	−0.30
Cetelem	647	−1
Chargeurs	815	−4
Ciments Fr	437.10	+5.10
Club Mediterranee	491.80	−0.20
Cogifi	380.10	....
Coparex	581	....
C C F	175	−2
Cr Fonc France	1,085	−1
Cred Lyon (CI)	666	+1
Credit National	1,199	−16
Damart	2,051	+40
Docks de France	4,070	−20
Dollfus Mieg Cie	394	−1
EBF	790	−5
Eaux Cie Genl	2,675	−40
Ecco	396	−9
Elf-Aquitaine	350.30	−3.90
Elf-Aquitaine Certs	242	+4
Essilor Int	370	−1.30
Etex	1,889	+1
Eurafrance	1,682	−18
Eurocom	885	−10
Euro Disney	118.80	−1.90
Euromarche	4,200	+10
Exor	1,439	−8
Finextel	151	+1
Fonc Lyonnaise	835	−5
From C et Auv	2,115	....
GTM-Entrepose	440	....
Gaumont (Soc N)	970	....
Gen Occidentale	797	+3
Geophysique	725	+7
Hachette	224	−4.90
Havas	564	−4
Imetal	332	−8
Imm de France	1,162	−28
Immobanque	780	....
Immob Phenix	182.80	+1.40
Industrielle	4,511	−89
Interbail	472.50	+2.50
Intertechnique	1,123	−7
LVMH	3,920	+10
Lafarge Coppee	409	+4
La Henin	570	+3
L'Oreal	555	+5
Legrand	3,925	+10
Locafrance	458	−3
Lyons Eaux Dumez	633	−8
Matra	284.90	+3.80
Merlin-Gerin	550	+12
Michelin B	87.60	−0.75
Moulinex	117.80	+2.70
Navigation Mixte	1,400	−8
Nord Est	135.70	+2.20
Nouv Galeries	910	+5
OFP	1,770	....
Orsan	230	+8.30
Paribas	454	+0.50
Paris Reescompte	276xr	−1.50
Pechelbronn	1,330	+12
Pernod Ricard	1,225	....
Perrier	1,527	+3
Peugeot	566	−8
Pinault	370	....
Poliet	518	−2
Printemps (Au)	685	+17
Promodes	2,090	−5
Radiotechn	367	+15
Redoute	3,630	−10
Rhone Poulenc Cts	357	+2.10
Roussel-Uclaf	2,160	+10
SILIC	686	+21
Sagem	1,617	−3
Saint Gobain	464.70	+5.90
Saint Louis	1,440	+1
Sanofi	915	−5
Schneider	800	−5
Seb SA	1,564	+4
Sefimeg	459	+4
Simco	542	+2
Skis Rossignol	703	+3
Soc Generale de Fr	437.50	+5.30
Sommer-Allibert	1,674	+4
Spie Batignolles	561	+9
Suez (Fin de)	344	+1
Taittinger	3,887	−3
Thomson C S F	146	−0.70
Total Fr Petro B	697	−13
UAP	584	....
UFB Locabail	269.80xd	−1.20
Unibail	721	−19
Union Immob Fr	570	−10
Valeo	448	+12
Vallourec	313.50	−3.50

GERMANY

April 8	Dm.	+ or −
AEG	214.50	+2.20
AG Ind & Verk	815	....
Aachen Mich (Reg)	835	−39
Allianz AG	2,325	−20
Altana Ind	543	+0.50
Asko	825	−8
Asko Prf	760	....
BASF	241	−0.70
Badenwerk	232	+0.50
Bayer	271.20	−2.30
Bayer-Hypo	377.50	−0.30
BMW (Br)	545	−8
Bayer Vereinsbk	371	−1.50
Beiersdorf	750	....
Berliner Kraft	116.20	−0.80
BHF Bank	412	....
Bilfing Berg	905	+36
Brown Boveri	1,050	+50

GERMANY (continued)

April 8	Dm.	+ or −
Colonia Vers	1,165	+5
Colonia Versich Pf	650	−10
Commerzbank	272.50	−1
Continental AG	213.50	−1.80
DLW	620	−3
Daimler-Benz	677	−3.80
Deckel (Fr)	149	−1
Degussa	341.60	−0.30
Deutsche Babcock	178.50	+4.90
Deutsche Bank	634	−2.80
Didier-Werke	215	+3
Douglas Hldg	732	−10
Dragerwerk	281	....
Dresdner Bk	361xa	−2.50
Fag Kugelfischer	256	−1
Gerresheimer	391	....
Goldschmidt (TH)	700	−10
Hamburg Elekt	194	....
Hapag Lloyd	425	....
Heideib Zett	1,202	+57
Henkel Prf	558	....
Herlitz	372	+1
Hochtief	1,322	+32
Hoechst	247.20	−0.90
Hoesch	284	−6.70
Holzmann Ph	1,370	+45
Horten	181	−4
Industriekredit	267	−3
Industrie Werke	316	+7.50
Kali & Salz	166.50	−2
Karstadt	580	−12
Kaufhof	483	+5.50
KHD	194	+7.50
Klockner Werke	161	−1
Lahmeyer	985xr	−5
Leifheit	727	....
Linde	800	+3
Linotype	564.50	−11.50
Lufthansa	139.80	−2.20
Lufthansa n/v Prf	125	+1
MAN	389.40	−3.40
MAN Pref	302.50	−3
Mannesmann	295.50	−1.50
Mannheim Vers	850	....
Mercedes Hld	560	−3
Metallgesellschaft	518	....
Munch Rueck (Reg)	2,520	+75
PWA	265	+6
Philips Kommun	595	−5
Porsche	898	+8
Preussag	335	+2
Rheinelektra	1,900	....
Rheinmetall Berlin	348	−7
Rheinmetall Prf	238	−0.50
Rhein West El	390.70	−1.30
Rhein West El Prf	312.60	−5.40
Rosenthal	316	+4
Schering	768.50	−3.70
Schmalbach Lubeca	345	....
Siemens	588.50xd	+1
Springer Axel Rg	700	−20
Sud Chemie	625	+20
Thyssen	230.70	−1.30
Varta	346	−4
Veba	330	+1.50
VEW	214	−3.70
Verein-West	298xr	+2
Viag	370	....
Volkswagen	369.70	−4.30
Volkswagen Prf	318	−2
Wella Prf	723	....
Zanders Feinpap	227	−9.50

ITALY

April 8	Lire	+ or −
Banca Comm	4,765	−85
Banca Naz Agric	7,650	−50
Banco Lariano	6,250	−50
Bastogi-I R B S	272.50	+0.25
Burgo (Cartiere)	9,430	−350
CIR	2,650	−35
Caffaro Spa	885	−11
Cementir	2,210	−55
Cigahotel	3,100	....
Cofide Fin	2,810	−79
Credito Italiano	2,630	−65
Danieli & C	8,950	....
Enimont	1,549	....
Eridania	7,250	−180
Ferruzzi Fin	2,274	−31
Fiat	5,700	−65
Fiat Priv	4,010	−80
Fidis	6,350	−74
Fondiaria	45,400	−400
Gemina	1,757	−24
Generali Assicur	35,800	−385
Gilardini	3,440	−61
IFI Priv	15,170	−120
Italcable	8,240	−250
Italcementi	23,200	−260
Italgas	2,985	+20
Lloyd Adriatico	14,755	−115
Magneti Marelli	900	−1
Mediobanca	15,730	−170
Montedison	1,535	−10
Olivetti	3,955	−105
Pirelli & Co	6,990	−10
Pirelli Spa	1,709	−10
RAS	20,150	−485
Rinascente (La)	6,340	−40
SASIB	7,710	−80
SIP	1,345	−5
Saffa A	8,160	−125
Saipem	1,770	−29
Sirti Spa	12,750	−130
SMI	1,320	−30
Snia BPD	1,700	−38
STET	2,249	−20
Toro Assicur	25,500	−210
Tosi Franco	33,400	−250
Unicem	11,570	−30

NETHERLANDS

April 8	Fls.	+ or −
A B N Amro Holding	37	....
ACF Holding	43	....
AEGON	128.40	−1
Ahold	86	+2.70
AKZO	112.20	−0.90
AMEV	59.60	+0.90
Bols Lucas	198	+0.50
Bornemij Wehry Cl	84	−2.50
Buehrmann Tett Cl	62	−1.20
Centrale Suiker	84.60	−0.10
DAF	26.10	+1.30
DSM	115.80	+0.30
Dordtsche Petr	136.90	−0.80
Elsevier Dp Rcts	84.80	+1.10
Fokker	31.70	−0.30
Gamma	101.20	−0.30
Gist Brocades	35.20	−0.80
Heineken	153	−0.20
Hollnd Beton	202	+4
Hoogovens	57.10	−0.40
Hunter Douglas	78.60	−1.20
IHC Caland	52.50	+0.50
Int Nederland	52.90	+5.60
Intl Mueller	78.50	....
KLM	27.60	−0.10
KNP	53.10	....
Kempen	12.70	....
Nedlloyd	55.80	−0.90
Nijverd-Ten Cate	96.70	−0.10
Nutricia Ver Bedr	135.90	−2.10
Oce V Grint	53.70	−0.20
Ommeren (Van)	44.30	−0.50
Pakhoed	193	+4.50
Philips	28.10	−1.30
PolyGram	37.70	−0.80
Robeco	102.40	....
Rodamco	55	....
Rolinco	100.40	+0.30
Rorento	64.80	+0.20
Royal Dutch	147	−1
Unilever	164.50	....
VNU	91.30	−2.80
VMF Stork	52.10	−0.10
Wessanen	80.30	−1
Wolters Kluwer	52.80	−0.70

NORWAY

April 8	Kroner	+ or −
Aker A Free	110	....
Bergesen A	141	−1
Christiania Bk Free	58	....
Den norsk Bk Free	145	−3
Dyno Ind	120	−4
Elkem Free	180	....
Hafslund Nyc A Free	197	....
Kvaerner Free	190	....
Leif Hoegh	85	−0.50
Norsk Ind A Free	260	....
Norsk Data A	25	−1
Norsk Hydro	186	−2
Norske Skog A Free	170	+6
Orkla Borreg Free	208	−2
Saga Pet A Free	108	−2
Saga Pet B Free	101	−2
Skaugen (I M)	17.40	−0.10
Storebrand Free	125	−1
Storli B	155	−2.50
Unitor Ships Sv	104	−2
Vard AS A	87	−3

SPAIN

April 8	Pts.	+ or −
Alba (Corp Fin)	5,950	−100
Aragonesas	1,675	....
Asland	3,370	−5
Banco Bilbao Vizc	3,090	−20
Banco Central	4,515	−35
Banco Exterior	3,505	....
Banco Hispano	2,995	−15
Banco Popular	10,520xd	−80
Banco Santander	5,550	−30
Banesto	3,885	−35
CEPSA	2,100	+10
Carburos Metal	6,000	....
Dragados	2,755	−25
Electra Viesgo	2,580	−10
Endesa (Br)	2,380	−15
Ercros	1,070	+15
Fecsa	726	−12
Hidroel Cantabr	2,000	....
Hidrola	558	−10
Iberduero	741	−4
Koipe	4,000	+130
Mapfre	6,100	....
Metal Duro-Felg	1,640	+60
Metrovacesa	6,100	−100
Portland Vald	18,700	−10
Repsol	2,480	−20
SNIACE	396	−11
Sarrio	875	−13
Sevillana Elec	650	−11
Tabacalera A	4,820	+45
Telefonica	988	−11
Tudor	1,350	−30
Union Fenosa	600	−5
Union y el Fenix	7,200	....
Uralita	2,175	+5
Urbis Ser 2	1,610	....
Vallehermoso	3,040	−50

SWEDEN

April 8	Kronor.	+ or −
AGA B Free	315	−5
Alfa-Laval B Free	242	+1
Asea B Free	612	−8
Astra A Free	560	....
Astra B Free	555	−5
Atlas Copco B	226	+1

SWEDEN (continued)

April 8	Kronor.	+ or −
Electrolux B Free	238	....
Ericsson B Free	205	−7
Esselte B Free	145	−2
Gambro B Free	180	....
Mo Och Dom B Free	295	+5
Nobel Free	70	....
Procordia B Free	163	−2
Saab Scania B Free	288	....
Sandvikken B Free	305	....
Skandia Free	178	−8
Skan Enskilda C	73	−1
SKF B Free	105	−4
Stora Kopp B	353	....
SCA B Free	106	−4
Sv'ka Handl. B Free	130	−5
Trelleborg B Free	136	....
Volvo B Free	325	−5

SWITZERLAND

April 8	Frs.	+ or −
Adia Intl (Br)	890	....
Adia Ptg Cts	130	−2.50
Alusuisse Lonza	1,235	+5
Alusuisse Ptg Cts	100.50	−0.50
Baloise Ptg	2,360	+40
Brown Boveri (Br)	4,630	−50
Brown Boveri Ptg	842	−4
CS Hldgs (Br)	2,060	+85
Ciba Geigy (Br)	2,900	+20
Ciba Geigy (Reg)	2,590	−10
Ciba Geigy (Pt Cts)	2,490	−10
Elektrowatt	2,950xd	....
Elvia	2,160	−50
Fischer (Geo)	1,615	....
Fischer Ptg	278	+3
Forbo	2,390	−10
Holderbk (Br)	5,200	−20
Holzstoff (Br)	5,400	−200
Jelmoli	1,600xd	−10
Jelmoli Ptg Cts	337xd	+4
Landis & Gyr	1,150	−20
Landis & G Prior Ptg	107	−1
Leu Hold (Br)	1,590xd	+30
Leu Hold Ptg	252xd	−8
Mag Globus Ptg	835	−15
Mikron (Reg)	460	−30
Motor-Columbus	1,580	+20
Nestle	8,470	....
Nestle (Reg)	8,370	−20
Oer-Buehrle	515	−10
Pargesa Hld	1,370	−5
Pirelli	410	−5
Richemont	10,150	....
Roche (Br)	7,660	+60
Roche (Genuss)	4,450	+10
Sandoz (Br)	11,400	−150
Sandoz (Pt Cts)	2,250	+10
Schindler (Br)	5,900	−290
Schindler (Pt Cts)	1,130	−10
Sika Reg A	750	−50
Surveillance (Br)	7,760	+10
Swissair	795	....
Swiss Bank (Br)	333	+2
Swiss Bank Ptg	286	+1
Swiss Reinsurance	3,370	+20
Swiss Reins Ptg	613	−2
Swiss Volksbk	1,385xd	+5
Union Bank Br	3,710	+20
Union Bank Ptg	146	+1
Winterthur	4,320	+20
Winterthur Ptg	802	−3
Zurich Ins	4,830	+70
Zurich Ins Ptg	2,320	+30

SOUTH AFRICA

April 8	Rand	+ or −
AECI	14.75	....
Allied Tech	85	....
Anglo Am Coal	100	....
Anglo Am Corp	98	+0.75
Anglo Am Gold	196	....
Barlow Rand	40.25xd	−0.25
Buffels	38	+0.50
CNA Gallo	24	−0.25
De Beers/Centenary	74.75xd	+0.75
Deelkraal Gold	6.70	+0.20
Driefontein	33.85	+0.85
East Rand Gold	7.25	....
Elandsrand Gold	19.75	+0.50
First Nat Bank	38	....
Free State Cons Gold	20.15	+0.15
Gencor	11.40	−0.05
Gold Fields SA	66	+1
Hartebeest	18.25	+0.50
Highveld Steel	15.25	....
ISCOR	1.93	−0.02
Kinross Gold	42	....
Kloof Gold	25	+0.85
Libanon Gold	1.80	....
Malbak	22	....
Nedcor	13	....
O K Bazaars	14	....
Palabora Mng	85	+3
Rembrandt	18.50	....
Rust Plat	71.50	....
Safmarine & Rennie	54	....
Sage Hlds	7.50	....
Smith (CG) Fds	41	....
SA Brewers	47.50	−0.25
SA Man Amcor	21.25	+0.25
Tiger Oats	35.75	−0.25
Tongaat Hulett	16	....
Vaal Reefs	190	+3.50
Western Deep	86.50	+1.50

JAPAN

April 8	Yen	+ or −
Ajinomoto	1,640xd	−10
Akebono Brake Ind	808xc	....
All Nippon Airways	1,370xd	−20
Alps Electric	1,630xd	....
Amada Co	1,260xd	....
Amano Corp	2,230xd	−60
Ando Construction	1,400xd	+20
Anritsu	1,900xd	−10
Aoki Corp	878xd	+3
Arabian Oil Co Ltd	7,130	−20
Asahi Breweries	1,300	−10
Asahi Chemical	824xd	−4
Asahi Glass	1,390	+20
Asahi Optical	666xd	+1
Asics Corp	635xd	....
Atsugi Nylon	1,090	....
Banyu Pharm	1,360xd	−40
Bridgestone	1,130	−20
Brother Ind	749	−16
CSK	5,010xd	+100
Calpis Food	1,110	+20
Calsonic	627xd	−15
Canon	1,580	−20
Canon Sales	4,030	+40
Casio Computer	1,270xd	+30
Central Finance	745xd	−5
Central Glass	630xd	+2
Chiba Bank	1,010xc	−20
Chiyoda Chem	2,990xd	+80
Chiyoda Fire & M	890xd	−10
Chubu El Pwr	2,900xd	....
Chugai Pharm	1,350	....
Chugoku El Power	2,550xd	+20
Citizen Watch	997xd	−1
Daicel Chemical	839xd	+9
Daido Steel	760xd	+8
Daiei Inc	1,430	+10
Daifuku	2,820xc	−10
Dai Ichi Kangyo Bk	2,370xd	−20
Daiichi Pharm	2,460xd	−40
Daikin Inds	1,760xd	+50
Daikyo Kanko	2,170xd	−60
Daimaru Inc	960	−20
Dai Nippon Ink	594xd	−5
Dai Nippon Pharmac	2,090xd	−30
Dai Nippon Print	1,600xd	−50
Dai Nippon Toryo	684xd	+3
Daishowa Paper	3,860xd	−110
Dai Tokyo F&M	910xd	+15
Daiwa Bank	1,310xc	−10
Daiwa House	2,040xd	−30
Daiwa Sec	1,990xd	−30
Denny's Japan	3,660	....
Dowa Fire & Mar	845xc	−10
Dowa Mining Co	790xd	−4
Ebara Corp	1,820xd	+40
Eisai	2,000xd	....
Ezaki Glico	1,320xd	+20
Fanuc	5,320xd	−80
Fuda Construction	940xd	+14
Fuji Bank	2,610xd	−60
Fuji Electric	875xd	+5
Fuji Film	3,520	−40
Fuji Fire & Marine	1,050xd	+10
Fuji Heavy Ind	550xd	+17
Fuji Spinning	701xd	−26
Fujikura	1,030xd	+10
Fujisawa Pharm	1,950xd	−20
Fujita Tourism	2,500	....
Fujitsu	1,160xd	−10
Furukawa Elect	873xd	+17
Gakken	1,650xd	−10
Gen Sekiyu	1,130xd	+10
Godo Shusei	1,090	−30
Green Cross	1,260	+20
Gun-Ei Chemical	991	+1
Gunze	892xd	+2
Hankyu Corp	747xd	−8
Hanshin El Rlwy	624xd	−3
Haseko	970xd	....
Hattori Seiko	3,500xd	−40
Hazama-Gumi	1,180xd	−20
Heiwa Real Est	1,080xc	−20
Hino Motors	980xd	−19
Hirose Electric	5,900xd	−50
Hiroshima (Bank)	940xd	−9
Hitachi	1,240xd	....
Hitachi Cable	1,170xd	....
Hitachi Credit	1,670xd	−10
Hitachi Koki	1,480xd	−30
Hitachi Maxell	2,120xd	....
Hitachi Metals	1,410xd	−20
Hitachi Sales	902xd	+22
Hitachi Zosen	690xd	+15
Hokkaido Elect Pwr	2,530xd	−30
Hokkaido Takush	905xd	−5
Hokuriku El Pwr	2,600xd	−50
Honda Motor	1,470xd	−10
Honshu Paper	1,300xd	+50
House Food Ind	1,960xd	+10
Hoya Corp	2,200xc	+60
IHI	801xd	−2
Ihara Chemical	846	+71
Ikegami Tsushinki	1,400xd	−50
Inax	1,260	+10
Indust Bank Japan	3,800xd	....
Iseki & Co	710xd	+5
Isetan	2,860xd	−10
Ishihara Sangyo	564xd	−2
Isuzu Motors	555	−6
Itoh (C)	742xd	−13
Itoham Foods	995xd	+5
Itoman & Co	689xd	+9
Ito Yokado	4,390	−30
Iwatsu Elec	815xd	+7
Izumiya	2,350	+50
JEOL	1,060xd	....
JGC Corp	2,410xc	+80
Janome Sewing Mach	1,170xd	−10
JAL	1,250xd	....
Japan Metals & Chem	955	−5
Japan Radio	2,760xd	−10
Japan Steel Works	670xd	−18
Japan Storage Batt	811xd	−14
Japan Syn Rubber	701xd	+4
Japan Wool	1,670	−20
Jujo Paper	704xd	−4
Jusco	1,710	+40
Kagome	1,390xc	+10
Kajima	1,650xd	−10
Kaken Pharm	1,560xd	−50
Kandenko	3,020xc	....
Kanebo	611xd	−3
Kanegafuchi	748xd	−2
Kanematsu Corp	830xd	+5
Kansai El Power	2,910xd	....
Kansai Paint	756xc	+6
Kao Corp	1,330xd	−20
Kawasaki Heavy Ind	638xd	+8
Kawasaki Kisen	568xd	−12
Kawasaki Steel	456xd	−4
Keihin Elec Express	940xd	−5
Keio Teito El Rw	932xd	+6
Kikkoman	1,090	−10
Kinden	2,980xc	−50
Kinki Nipp Railway	862xd	−8
Kirin Brewer	1,570	+10
Kobe Steel	551xd	−10
Koito Manf	2,700xd	....
Kokusai Electric	4,210xd	−70
Kokuyo	3,660xd	+10
Komatsu	970xd	+8
Konica	1,070	+10
Koyo Seiko Co	1,010xd	+10
Kubota Corp	836xd	+3
Kumagai-Gumi	901xd	−9
Kumiai Chemical	1,020	+90
Kurabo Ind	1,240xd	+80
Kuraray	1,540xd	+50
Kureha Chemical	695xd	....
Kurita Water	2,940xd	....
Kurosaki Refrac	736xd	+18
Kyocera	6,490xd	−100
Kyodo Shiryo	630xd	+10
Kyotaru	1,800	....
Kyowa Hakko	1,400	−20
Kyowa Saitama Bk	1,190	+10
Kyushu El Power	2,560xd	....
Lion Corp	815	−15
Long Term Credit	1,690xd	−50
Maeda Corp	1,710xd	−10
Makino Milling	1,190xd	−20
Makita Elect	1,850xd	....
Marubeni	710xd	−4
Marudai Food	1,190xd	−10
Marui	2,290	+30
Maruichi Steel	1,780xd	+30
M'shita El Ind	1,740xd	−10
M'shita El Wk	1,780	+30
M'shita Koto	1,970xd	+60
M'shita Refrig	1,230xd	....
Mazda Motor Corp	621xd	+11
Meiji Milk	728xd	−17
Meiji Seika	735xd	−15
Mercian Corp	1,170	−20
Mitsui Coca Cola	2,720	−10
Minebea	999xd	−31
Minolta Camera	770xd	−13
Misawa Home	1,830xd	+40
M'bishi Bk	2,620xd	+10
M'bishi Corp	1,370xd	−10
M'bishi Elec	810xd	....
M'bishi Estate	1,550xd	−30
M'bishi Gas Chem	613xd	+3
M'bishi Heavy Ind	805xd	−10
M'bishi Kasei	621xc	−14
M'bishi Materials	733xd	−2
M'bishi Oil	1,150xd	−20
M'bishi Paper	696xd	−15
M'bishi Petchem	1,000xd	....
M'bishi Plastics	740xd	−20
M'bishi Rayon	568xd	+10
M'bishi Steel	1,310xd	−40
M'bishi Tr&Bk	1,900xd	....
M'bishi Warehouse	1,520xd	−50
Mitsuboshi Belting	1,030xd	−20
Mitsui Co	835xd	....
Mitsui Eng Ship	659xd	+1
Mitsui Mng & Sm	567xd	−10
Mitsui Osk Line	674xd	+12
Mitsui Petchem	915xd	....
Mitsui Real Estate	1,430xd	....
Mitsui Taiyo Kobe	1,980xd	−20
Mitsui Toatsu	535xc	−11
Mitsui Tr&Bk	1,480xd	−30
Mitsui Warehouse	1,050xd	+30
Mitsukoshi	1,300	−10
Mitsumi Elec	1,290	−10
Miyaji Iron Works	770xd	....
Mizuno Sporting	1,640xd	....
Mochida Pharm	2,570xd	−10
Morinaga Milk	700xd	+1
Mori Seiki	3,030xd	−50
Murata Manufact	2,560xc	−40
NEC Corp	1,550xd	....
NGK Insulators	1,280xd	−10
NGK Spark Plug	1,080xd	+80
NHK Spring	680xd	−15
NKK Corp	447xd	−5
NOK Corp	947xd	−17
NTN Toyo Bearing	828xd	+5
Nachi Fujikoshi	865	−15
Nagasakiya	2,600	....
Nagase	1,190xd	+20
Nagoya Railroad	800xd	−8
National House	1,330xd	+60
Nichii	1,720	+40
Nichirei	869xd	−20
Nihon Cement	1,080xd	−20
Nihon Nosan	640xd	−10
Nihon Parkerizing	1,190xd	−40
Niigata Eng	789xd	+5
Nikko Sec	1,060xd	−40
Nikon Corp	1,370xd	−10
Nippon Credit Bank	11,000xd	−200
Nippon Denko	780	....
Nippon Denso	1,710	−40
Nippon El Glass	1,920xd	+70
Nippon Express	919xd	+18
Nippon Fire	883xd	−16
Nippon Flour Mills	720xd	+3
Nippon Hodo	2,870xd	....
Nippon Kayaku	912	−6
Nippon Light Metal	1,040xd	+20
Nippon Meat Pack	1,620xd	−40
Nippon Mining	617xd	−6
Nippon Oil	1,080xd	−20
Nippon Paint	848xd	+7
Nippon Road	1,580xd	−30
Nippon Sanso	767xd	+12
Nippon Seiko	821xd	−18
Nippon Sharyo	1,460xd	−40
Nippon Sheet Glass	692xd	+7
Nippon Shinpan	1,170xd	−10
Nippon Shinyaku	1,500xd	....
Nippon Soda	979xc	−3
Nippon Stainless	902xd	−6
Nippon Steel	492xd	−1
Nippon Suisan	631xd	−9
Nippon TV Network	27,100xd	+100
Nippon Yakin	984xd	−13
Nippon Yusen	657xd	−2
Nippon Zeon	685xd	....
Nishimatsu Constr	1,230xd	....
Nissan Diesel	650xd	−3
Nissan Motor	765xd	−15
Nissei Sangyo	1,960xd	+50
Nisshin Flour	1,390xc	−10
Nisshin Oil	1,030xd	−20
Nisshinbo Ind	1,090xd	+10
Nissho Iwai	694xd	−9
Nissin Electric	1,480xd	−40
Nissin Food	2,660xd	+20
Nitsuko	1,070xd	+40
Nitto Boseki	646xd	+6
Nitto Denko	1,720xd	−30
Nomura	2,200xd	−20
Noritake	1,410xr	+60
Odakyu Electric Rwy	1,060xd	+10
Ohbayashi-Gumi	1,240xd	−10
Oji Paper	940xd	+8
Oki Electric	765xd	−5
Okuma Mach	1,280xd	....
Okumura-Gumi	1,550xd	+20
Olympus	1,100xc	....
Omron Corp	2,230xd	−30
Onoda Cement	716xd	−16
Ono Pharm	4,420xd	....
Onward Kashiyama	1,830	+60
Orient Corp	1,180xd	−20
Orix Corp	3,650xd	−20
Osaka Gas	520xd	+7
Penta Ocean	1,030xd	−20
Pioneer Elec	4,670xd	−90
Prima Meat Pack	757xd	−5
Renown	774	+5
Ricoh	803xd	+8
Royal Co	1,890	−10
Ryobi	741xd	−13
Sanden	859xd	....
Sankyo	2,560xc	−20
Sanrio	4,680xd	+30
Sanwa Bank	2,350xd	+50
Sanwa Shutter	1,620xc	−20
Sanyo Electric	635	....
Sanyo Kokusaku	672xd	−12
Sapporo Brews	1,280	+10
Secom	5,500xd	....
Seibu Railway	3,800xd	....
Seino Transport	2,420	+20
Seiyo Food Sys	1,660xd	+10
Seiyu	2,080	+80
Sekisui Chemical	1,300xd	....
Sekisui House	1,570xd	−10
Settsu Corp	923xd	+9
Seven-Eleven	7,050	−50
Sharp	1,470xd	−20
Shikoku Elect Pwr	2,690xd	+70
Shimizu Corp	1,600xd	−40
Shin-Etsu Chem	1,610xd	−20
Shionogi	1,220xd	....
Shiseido	2,050xc	+20
Shochiku	3,120	−10
Shokusan Jutaku	1,020xd	....
Showa Aluminium	1,030	+10
Showa Denko	523	+5
Showa Elec Wire	845xd	+12
Showa Sangyo	635xd	−9
Showa Shell Sek	1,340	−10
Skylark	2,700	−30
Snow Brand Milk	893xd	−17
Sony	6,550xd	−30
Stanley Electric	854xd	+8
Sumitomo Bakelite	723xd	−25
Sumitomo Bank	2,390xd	−10
Sumitomo Cement	744xd	−1
Sumitomo Chemical	560	−5
Sumitomo Corp	1,170xd	....
Sumitomo Elect	1,520xd	−10
Sumitomo Heavy	780xd	+4
Sumitomo Light M	734xd	+16
Sumitomo Marine	999xc	+9
Sumitomo Metal Ind	537xd	−11
Sumitomo Metal Mng	1,280xd	−10
Sumitomo Realty	1,260xc	....
Sumitomo Tr&Bk	1,790xd	−10
Sumitomo Warehouse	850xd	−10
Suzuki Motor	716xd	−15
TDK Corp	5,660xd	+10
Taisei Corp	1,040xd	−10
Taisho Marine	991xc	....
Taisho Pharm	2,380xd	+30
Taiyo Fishery	543xd	−5
Takaoka Electric	1,170xd	−20
Takara Shuzo	861xd	−16
Takashimaya	2,250	−30
Takeda Chem	1,780xd	−20
Tanabe Seiyaku	1,320xd	+40
Teijin	591xd	−9
Teikoku Oil	960	−7
Tekken Constr	1,240xd	+30
Toa Gosei Chem Ind	886xd	−9
Tobishima Corp	1,430xd	+10
Tobu Railway	893xd	+4
Toei	1,030xd	....
Toho	23,800	+300
Tohoku Elect Power	2,570xd	+10
Tokai Bank	1,740xd	−10
Tokai Carbon	793	+5
Tokico	697xd	+10
Tokio Marine	1,380xd	+10
Tokuyama Soda	650xd	....
Tokyo (Bank)	1,320xd	−30
Tokyo B'casting	2,300xd	+30
Tokyo Dome	3,240	+90
Tokyo El Pwr	3,930xd	....
Tokyo Electron	3,680xd	....
Tokyo Gas	635xd	−4
Tokyo Rope	1,200xd	−20
Tokyo Steel	3,900xd	+120
Tokyo Style	1,650	+10
Tokyu Car	1,300xc	−50
Tokyu Corp	1,570xd	+20
Tokyu Land	775xd	−3
Tonen Corp	1,590	+20
Toppan Printing	1,500xd	....
Toray Ind	667xd	−3
Toshiba Elect	835xd	−25
Toshiba Eng&Constr	1,620xd	−10
Toshiba Machinery	970xd	....
Toshoku	2,070	−10
Tosoh Corp	631xd	−9
Toto	1,780xd	−10
Toyo Construct	796xd	−1
Toyoda Autom Loom	2,870xd	+20
Toyo Ink	645xd	....
Toyo Jozo	1,220	−20
Toyo Kanetsu	1,180xd	+10
Toyo Seikan	4,190xc	−10
Toyota Motor	1,850	....
Toyo Tire&Rub	760xc	+4
Tsubakim Chain Mfg	938xd	+1
Tsugami	774xd	−6
UBE Inds	596xd	....
Unitika	573xd	+8
Victor (JVC)	1,670xd	....
Wacoal	1,170xd	−10
Yamaha Corp	1,770xd	−10
Yamaha Motor	920xd	−20
Yamaichi Securities	1,070xd	....
Yamanouchi	3,170xc	+50
Yamatake Honeywell	2,300xd	....
Yamato Kogyo	1,810xd	−10
Yamato Transport	1,380xd	....
Yamazaki Baking	1,860	....
Yasuda Fire	951xd	−9
Yasukawa Electr	940xd	−3
Yokogawa Elec	1,470xd	−40
Yokohama (Bank)	1,180xc	−30
Yokohama Rubber	837	−12
Yomiuri Land	1,930xd	....
Yoshitomi Pharm	1,700xd	−20
Yuasa Battery Co	1,190xd	−10
Zexel Corp	975xd	−2

AUSTRALIA

April 8	Aust$	+ or −
AFP	1.28	+0.03
AWA	0.54	....
Aberfoyle	3.90	−0.20
Adelaide Steam	0.12	−0.02
Amcor	4.71	−0.04
Ampol Expl	2.73	−0.02
Arnotts	5.80xd	....
Ashton	1.36	−0.10
ANZ Bank	3.27	−0.04
Aust Gas Light	2.33	−0.02
Aust Nat Inds	2.10xd	−0.09
BHP	11	−0.10
BTR Nylex	3.12	−0.04
Boral	3.59	+0.02
Boug'ville Copper	1	−0.03
Brambles Inds	16xd	....
Bridge Oil	0.65	....
Brierley Invs	0.77	−0.02
Bundaberg Sugar	3.85	−0.01
Burns Philp	2.77	−0.03
CSR	5.32	....
CRA	12.40	+0.05
Caltex Aust	2.82	+0.02
Coal Allied Ind	8.40	+0.10
Coca Cola Amatil	14.60	+0.10
Coles Myer	9.52	+0.02
Comalco	3.99	−0.01
Crusader	0.77	+0.07
Dominion Mng	0.81	....
Email	3.50	+0.05
Energy Res	1.38	+0.01
FAI Insurances	0.99	+0.01
Fletcher Chllnge	2.68	+0.01
Fosters Brewing	1.47	−0.01
Gen Prop Tst	2.64	−0.01
Goodman Fielder	1.77	+0.01
Hardie (J)	2.78	−0.05
Highlands Gold	1.10	−0.01
ICI Aust	4.22	−0.08
Jennings	1.12	−0.04
Jones (David)	0.30	−0.04
Kidston Gold	1.35	+0.02
Land Lease	15.30	....
MIM	1.81	−0.05
Mayne Nickless	6.26	−0.04

AUSTRALIA (continued)

April 8	Aust$	+ or −
Metal Manuf	2.32xd	....
Minproc	0.43	....
Nat Aust Bank	5.78	−0.06
Newmont Aust	1.03	−0.01
News Corp	8.80	−0.30
North BH Peko	2.29	−0.05
Pacific Dunlop	5.14xd	−0.08
Pancontinental	1.38	−0.02
Pasminco	1.44	−0.01
Pioneer Intl	2.52xd	−0.08
Placer Pacific	2.77	−0.03
Poseidon	1.50	−0.07
QCT Resources	1.22xd	....
Renison Gold	6.28	−0.06
Rothmans Aust	11.55	−0.30
SA Brewing	3.17xd	−0.12
Santos	3.55	+0.06
Smith (Howard)	4.92xd	−0.01
Stockland Tst	2.05	+0.01
TNT	1.61	+0.02
Tyco Invs	1.11	....
Wesfarmers	3.05	−0.05
Western Mining	5.04xd	+0.04
Westfield Hdg	3.40	....
Westfield Trust	1.93	+0.01
Westpac	3.96	−0.08
Woodside Pet	3	....

HONG KONG

April 8	H.K.$	+ or −
Amoy Props	4.65	+0.18
Bank East Asia	15.60	−0.50
Cathay Pacific	8.65	−0.10
Cheung Kong	18.10	−0.20
China Light	19.20	−0.30
China Motor	27.40xd	−0.20
Cross Harbour	14.40	....
Dairy Farm Intl	12.20	−0.30
Evergo	2.67	....
Guoco	1.72	−0.01
Hang Lung Dev	7.25	....
Hang Seng Bank	24.70xr	−0.72
Harbour Centre	7.90	....
Henderson Inv	2.47	−0.02
Henderson Land	11.90	−0.40
HK & China Gas	11.20	−0.50
HK & Shanghai Hotel	4.67	−0.10
HK Aircraft	17.70	−0.10
HK Electric	12	−0.40
HK Land	8.40	−0.10
HK Realty & Tr A	5.45	−0.05
HK Telecomms	7.35	+0.05
Hopewell Hldgs	4	....
Hutchison Wpa	15.30	−0.30
Hysan Dev	1.59	+0.01
Ind Equity P	6.90	....
Jardine Intl Mtr	3.77	....
Jardine Math	35	−0.50
Jardine Strategic	18.40	+0.10
Kowloon Motor	7.60	−0.05
Mandarin Orient	5.10	−0.10
New World Dev	9.50	+0.05
Realty Dev A	9	....
SHK Props	19.80	−0.10
Shaw Bros	4.45	....
Shell Elec Mfg	1.71	−0.01
Sime Darby	5.75	....
Sun Hung Kai Co	2.37	+0.08
Swire Pacific A	18.60	−0.20
Swire Pacific B	3.12	−0.05
Tele Broadcast	7.85	....
Wharf Holdings	9.30	−0.15
Wing On Co	8.75	−0.10
Winsor Ind	9.15	+0.25
World Intl	5	−0.15

MALAYSIA

April 8	MYR	+ or −
Boustead	2.46	−0.01
Genting	7.75	....
Hong Leong Credit	4.20	−0.02
Malayan Banking	7.25	−0.10
Malayan Utd Ind	2.37xd	....
Multi Purpose	1.49	−0.07
Public Bank	1.50	....
Sime Darby	4.10xd	−0.10

SINGAPORE

April 8	S$	+ or −
Cold Storage	2.92xd	−0.04
DBS	11.50	−0.50
Fraser & Neave	9.30	....
Haw Par	2.64	−0.02
Inchcape	4.68	+0.04
Keppel Corp	7.25	−0.10
OCBC	10.70	+0.20
OUB	5.60	−0.05
S'pore Air Free	18.10	−0.10
Singapore Press	8.30	....
Straits Trading	2.94	−0.03
Tat Lee Bank	3.46	−0.02
UOB	6.50xd	....

Price data supplied by Telekurs.

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. †Danish prices unavailable for this edition.

CANADA

TORONTO

3:00 pm prices April 8

Quotations in cents unless marked $

Sales	Stock	High	Low	Close	Chng
6800	Abitibi Pr	$15¼	15¼	15¼	
16800	Air Cda	$9⅞	9⅞	9⅞	
10300	AlbNrGas	$15⅝	15½	15½	−⅛
166700	Alcan Al	$24½	24⅜	24⅜	−⅛
187500	Am Barr	$24⅝	23⅞	23⅞	+⅛
22000	BCE Dev	u14	14	14	+1
41300	Bk Montr'l	$36⅛	36⅛	36⅛	−⅛
190900	Bk Nova Sc	$15⅞	15⅝	15⅝	
1900	BC Sugar A	$14⅞	14⅞	14⅞	+⅛
43000	Balmoral	11½	d10½	11½	+½
4000	BGR A	$7¾	7¾	7¾	
59400	Bomb'dierB	$17⅛	17⅛	17⅛	−¼
10100	Bow Valley	$13⅝	13⅝	13⅝	
404500	BP Canada	$15⅞	15⅝	15⅝	−⅛
7400	Bramalea	$8⅝	8⅝	8⅝	−⅛
4300	Brascan A	$19⅛	19⅛	19⅛	+⅛
171000	Breakwater	62	63	60	+5
5800	BC Tel	$20	19⅞	20	
4900	Bruncor	$17	d16⅞	16⅞	−⅛
300	Brunswick	$8	8	8	−⅛
337200	CAE Ind	u$7¼	6⅞	7⅛	+⅛
2200	Cambior	$10	9⅞	10	
2800	Cambridge x	u$28½	28	28½	+½
800	C'bell Res	37	37	40	
23500	Campeau Cp	54	52	54	+2
1500	Can Nor'W	37	37	37	
1200	Can Occid	u$18⅛	18½	18⅛	+⅛
64800	Can Pac	$20¼	20	20¼	
1900	Can Packer	$14½	14	14	
4300	Can Util A	$19⅛	19⅛	19⅛	
200	Can Util B	$20⅛	20⅛	20⅛	−⅛
22400	Canamax	58	54	54	+2
9900	Cantor	$25⅝	25½	25½	−⅛
33100	Cara Op	$16⅝	16⅛	16⅛	+⅛
9300	Carena Dev	$13⅝	13½	13⅝	
4000	Cascades	$5⅛	5	5	
5800	Cntrl Cap	$7⅛	7	7⅛	
1500	Cineplx Odn	$6⅛	6⅛	6⅛	+⅛
700	Cntrl Fd A	470	470	480	
6100	Cominco	$23⅞	23⅜	23½	
19000	Computalog	270	250	270	
1700	Conwest Gas	$33⅛	33⅛	33	−⅛
184800	Corona Cp	485	485	485	
8500	CrownX A	340	335	340	+5
3000	Denison A	70	70	70	
9100	Dofasco	$19½	19⅜	19⅜	−⅛
1500	Domtan Txt	$8⅝	8⅛	8⅝	−⅛
3400	Domtar Inc	$9⅛	9	9	
9800	Du Pont A x	u$29¾	29¾	29¾	
123400	Echo Bay M	$10⅞	10½	10⅞	+½
500	Emco Ltd	$5¼	5¼	5¼	
200	Empire	$12¼	12	12	−⅛
1300	Euro Nev	$13	12⅞	12⅞	+⅛
2700	FPI Ltd	$7½	7⅛	7⅛	−⅛
600	Finning	$14⅞	14⅞	14⅞	
500	Fst Marz A	$9⅞	9⅞	9⅞	
2400	Fortis	$22⅝	22⅝	22⅝	
2900	Four Seasn	$18⅛	18⅛	18⅛	−⅛
10300	FrancoNev	$18	17½	18	+⅛
13500	Galactic	100	97	100	+1
800	Gnt Yknife	$5⅛	5⅛	5⅛	
49900	Giants Gld	310	305	310	+5
8500	Granges	128	125	125	+5
4200	GW Lifeco	u$15½	15⅛	15⅛	
3600	Gulf Cda R	$10⅛	10	10	−⅛
1900	GW Utils	$17	17	17	
18700	HarrisSt A	u$5½	5½	5½	
1600	Hawker Sid	$27½	27¼	27¼	
25900	Hees Intl	$19	18¾	18¾	−⅛
9100	Hemlo Gold	$9⅛	9⅛	9⅛	+⅛
2800	Hollinger	$13	12⅞	12⅞	
123700	Horsham	u$11⅛	10⅞	11⅛	+½
300	HudsBayM&S	$5½	5½	6	
7200	HudsonsBay	$28⅞	28½	28⅞	+⅛
34200	Imasco	$28	27⅞	27⅞	−⅛
16300	Imp Oil A	$53½	d53	53⅛	−⅛
113200	Inco	$39⅛	38⅞	39	−⅛
11700	Interhome	$49	47⅞	47⅞	−⅛
1900	Invest Grp	$32½	32¼	32½	
2500	Jannock	$16⅛	16½	16⅛	−⅛
400	KerrAddis	$16	15⅞	15⅞	
3800	Labatt	$23¼	23¼	23¼	−⅛
19100	Lac Mnls	$9⅜	9⅜	9⅜	+⅛
900	Lafarge	$16⅜	16⅜	16⅜	
3300	Laidlaw A	$15½	15¼	15⅛	
270500	Laidlaw B	$15⅝	15⅛	15¼	
200	Laurent Bk	$16⅜	16⅜	16⅜	
400	Laurent Gp	$8⅝	8⅛	8⅛	
23100	Lawson Mar	$8½	8⅛	8½	
500	Loblaw	$20¾	20¾	20¾	−¼
51900	Mackenzie	$8⅛	8	8⅛	
11100	Macm Bl	$18⅞	18½	18⅞	
64100	Magna IntA	$7⅜	7⅛	7⅜	−⅛
2800	Marit T&T	$18⅞	18½	18½	−⅛
600	Mark Res	$7⅞	d7⅞	7⅞	−⅛
3300	MDS Hth B	$17⅞	17⅞	17⅞	
1200	Memotech x	u$9½	9⅛	9⅛	+⅛
27600	Metall Min	$12⅝	12½	12⅝	−⅛
6500	Mitel Corp	145	145	145	−2
52000	Molson A	$43⅛	42⅞	42⅞	−⅛
48100	Moore Corp	$29	28⅜	28⅞	−⅛
187400	Muscocho	9	8	9	+1
37000	Nat Bk Can	$10⅛	10⅛	10⅛	−⅛
8000	Noma Ind A	$7⅜	7⅜	7⅜	+⅛
43400	Noranda	$17⅞	17⅞	17⅞	−⅛
2000	NorcnE.12	$24⅜	24⅜	24⅜	
1800	NorcnNVtg	$24½	24⅛	24⅛	
78200	Nth Tele	$37	36⅞	36⅞	−⅛
6200	Northgate	165	162	165	+5
156600	Nova Corp	$8⅝	8½	8½	+⅛
100	Nowsco Wlv	$14⅝	14⅝	14⅝	
1800	Numac Oil	$6	6	6⅛	
3300	Onex Corp	$8⅝	8½	8⅝	+⅛
7800	Oshawa A	$34¼	33½	34	+¼
8800	PWA Corp	$8⅛	8⅛	8⅛	−⅛
11800	Pagurian A	$6⅛	6⅛	6⅛	
100	Pamour Inc	50	50	50	
7700	Pancdn Pet	$30	29⅞	29⅞	+⅛
27700	Pegasus	$14⅛	14	14⅛	
57400	Pioneer Mt	12	12	12	
92700	PlacerDome	$16½	16⅜	16½	
1000	Poco Pet	$7½	7½	7½	
45400	Power Corp	$17⅛	17	17⅛	
2100	Power Fin	u$23⅛	22⅞	22⅞	−⅛
1500	Provigo	$12⅝	12⅝	12⅝	−⅛
27800	Ranger Oil	$7⅞	7⅞	7⅞	
200	Rayrock	$7½	7½	7½	
58800	Ren'ssance	$16⅞	16⅛	16⅛	
2300	Repap Ent	$7⅛	7	7	−⅛
22200	Rio Algom	$22¼	22¼	22¼	+⅛
6300	Rothmans	$85	85	85	
170000	RoyalBkCan	$28½	28	28⅛	−⅛
118200	RylTrustco	$9	8⅞	9	
700	StLawrCm A	$18⅜	18¼	18¼	
30100	Sceptre Rs	360	345	345	−20
300	ScottPaper x	$20⅛	20⅛	20⅛	
700	Scotts Hos	u$17⅞	17½	17½	−⅛
13500	Seagram Co	$111½	110⅞	110⅞	−⅞
7300	Sears Can	$12⅞	12⅞	12⅞	+⅛
18700	ShellCan A	$41⅛	40⅞	40⅞	−⅛
11300	Sherritt G	$8	7⅞	7⅞	−⅛
84100	SHL Syst	$7½	7⅜	7⅜	−⅛
300	SNC Group	$16⅛	16⅛	16⅛	
2300	Sonora Gld	20	20	20	
9600	Southam	$19⅛	19⅛	19⅛	+⅛
1300	Spar Aero	$13⅛	13⅛	13⅛	−⅛
48100	Stelco A	$8	7⅞	7⅞	−⅛
100400	Teck B	$22⅛	22½	22½	
48700	Thomson	$16⅞	16⅞	16⅞	−⅛
113000	Tor Dom Bk	$18⅝	18½	18½	
700	Torstar B	$26	25⅞	25⅞	−⅛
1000	TotalPNAm	$27⅛	27⅛	27⅛	
283400	TransAlta	$12⅝	12⅜	12⅜	+⅛
31400	Transcan P	$17⅛	17⅛	17⅛	−⅛
20300	Trilon A	$12⅛	11⅞	12⅛	+⅛
51400	Trimac	$7⅛	7⅛	7⅛	
21300	Trizec A	$15⅝	15½	15½	
2000	Unicorp A	85	85	85	
3300	Union Carb	$18⅛	18⅛	18⅛	
14800	Varity Cp	315	310	315	
21800	Viceroy Rs	435	430	435	+5
25600	W'coast E	$21	20⅞	21	+⅛
1400	Weston Geo	$43⅛	43¼	43¼	+⅛
1200	WIC B	$14⅞	14⅞	14⅞	−⅛

† - No voting rights or restricted voting rights

MONTREAL

3:00 pm prices April 8

Sales	Stock	High	Low	Close	Chng
15100	BombrdierB	$17⅛	17⅛	17⅛	−⅛
13900	Cambior	$10½	9⅞	10⅛	+⅛
8700	Cascades	$5⅛	5	5	−⅛
700	DominTxt A	$8⅛	8⅛	8⅛	−⅛
5100	Memotec x	u$9⅛	9⅛	9⅛	
60200	NatBk Can	$10⅞	10⅛	10⅛	
1300	Provigo	$12⅞	12⅞	12⅞	−⅛
700	Quebecor A	$19	18¾	19	+⅛
4200	Videotron	$14	13⅞	14	+⅛

Total Sales 5,501,100 shares

INDICES

NEW YORK

DOW JONES	Apr. 5	Apr. 4	Apr. 3	Apr. 2	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Industrials *	2896.78	2924.50	2926.73	2945.05	2973.27 (6/3)	2470.30 (9/1)	2999.75 (16/7/90)	41.22 (2/7/32)
Home Bonds	93.72	93.61	93.71	93.88	94.86 (15/2)	91.30 (16/1)	95.51 (9/2/87)	54.99 (1/10/81)
Transport	1114.95	1121.65	1116.18	1115.48	1166.26 (5/3)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	215.10	216.11	216.30	216.74	218.12 (26/3)	199.64 (16/1)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 2949.26 (2959.41) Low 2876.98 (2899.75)

STANDARD AND POOR'S	Apr. 5	Apr. 4	Apr. 3	Apr. 2	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	375.36	379.77	378.94	379.50	379.77 (4/4)	311.49 (9/1)	379.77 (4/4/91)	4.40 (1/6/32)
Industrials	444.37	449.84	448.74	449.82	449.84 (4/4)	364.90 (9/1)	449.84 (4/4/91)	3.62 (21/6/32)
Financial	30.03	30.36	30.15	29.75	30.36 (4/4)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	205.66	207.73	207.39	207.42	207.73 (4/4)	170.97 (9/1)	207.73 (4/4/91)	4.46 (25/4/42)
Amex Mkt. Value	363.41	365.11	362.47	359.91	365.11 (4/4)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	495.79	497.57	495.05	489.21	497.57 (4/4)	355.75 (14/1)	497.57 (4/4/91)	54.87 (31/10/72)

	Mar.22	Mar.15	Mar.8	year ago (approx.)
Dow Industrial Div. Yield	3.53	3.42	3.40	4.06
	Apr.3	Mar.27	Mar.20	year ago (approx.)
S & P Industrial div. yield	2.81	2.84	2.88	3.05
S & P Indl. P/E ratio	18.44	18.27	17.95	15.09

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Pepsico	4,247,500	33¼	- ⅞
Saatchi	3,707,500	1½	- ⅛
Blockbuster	3,347,400	12⅛	+ ⅛
RJ Nabisco	3,259,100	12	- ⅛
Fleet	2,919,800	17	- ⅛
Citicorp	2,303,000	16⅛	+ ⅛
Avon Prods	2,279,200	44⅞	- 1⅛
Philip Morris	2,089,300	67⅞	- ⅞
Bk of Boston	2,057,800	9¼	- 1⅛
Boeing	1,899,200	49	- ⅛

TRADING ACTIVITY

† Volume (Millions)	Apr.5	Apr.4	Apr.3
New York	188.467	198.120	213.720
Amex	13.064	14.867	16.841
NASDAQ	200.264	216.112	229.807
Issues Traded	2,046	2,065	2,064
Rises	599	941	959
Falls	938	675	665
Unchanged	509	449	440
New Highs	125	186	185
New Lows	5	6	4

CANADA

TORONTO	Apr. 5	Apr. 4	Apr. 3	Apr. 2	1991 HIGH	1991 LOW
Metals & Minerals	3135.70	3134.10	3130.66	3174.93	3284.18 (5/3)	2632.06 (9/1)
Composite	3518.13	3524.26	3516.44	3516.31	3571.53 (6/3)	3161.95 (15/1)
MONTREAL Portfolio	1884.92	1851.13	1847.64	1851.13	1888.19 (5/3)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. *Corrected fig. for Apr 5.

	Apr. 8	Apr. 5	Apr. 4	Apr. 3	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1459.8	1456.4	1459.8	1456.9	1459.8 (4/4)	1204.5 (16/1)
All Mining (1/1/80)	662.9	657.5	662.9	663.6	673.5 (19/3)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	525.20	520.53	517.72	515.27	525.20 (8/4)	390.84 (15/1)
BELGIUM						
BEL20 (1/1/91)	1199.19	1200.59	1198.59	1202.31	1202.31 (3/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	353.42	354.26	353.82	352.51	354.26 (4/4)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	1186.9	1183.7	1171.4	1156.1	1186.9 (8/4)	890.5 (21/1)
FRANCE						
CAC General (31/12/82)	493.35	491.42	491.21	489.89	493.35 (8/4)	394.88 (15/1)
CAC 40 (31/12/87)	1847.57	1851.71	1836.21	1851.89	1851.89 (3/4)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	672.44	671.57	666.97	668.97	682.77 (8/3)	570.48 (15/1)
Commerzbank (1/12/53)	1905.80	1905.40	1892.60	1899.50	1942.3 (8/3)	1612.5 (15/1)
DAX (30/12/87)	1579.95	1586.87	1571.97	1577.30	1602.29 (8/3)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3812.01	(c)	3849.15	3869.70	3869.70 (3/4)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1502.08	1510.86	1518.26	1518.59	1520.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	595.46	600.29	591.99	592.02	600.29 (5/4)	486.26 (29/1)
JAPAN						
Nikkei (16/5/49)	26607.65	26767.33	26689.81	26788.06	27146.91 (18/3)	22442.70 (16/1)
Tokyo SE (Topix) (4/1/68)	2008.74	2015.60	2007.48	2007.56	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	3283.57	3267.76	3238.94	3238.25	3283.57 (8/4)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	592.13	591.14	591.17	586.86	605.85 (11/3)	478.41 (16/1)
NETHERLANDS						
CBS TR Rtn.Gen.(End 1983)	267.9	269.3	269.9	270.9	270.9 (3/4)	221.4 (16/1)
CBS All Shr (End 1983)	195.9	196.9	197.4	198.1	198.1 (3/4)	162.3 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	713.71	718.49	717.55	720.56	735.00 (8/3)	618.45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	1154.73	1148.36	1128.87	1106.98	1154.73 (8/4)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	406.03	409.75	409.58	408.85	415.46 (15/3)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1064.08	1044.0	1043.0	1039.0	1367.0 (14/1)	971.0 (25/2)
JSE Industrial (28/9/78)	3431.8	3436.0	3419.0	3403.0	3436.0 (5/4)	2829.8 (16/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	646.46	(c)	654.14	649.43	697.62 (4/1)	614.60 (16/1)
SPAIN						
Madrid SE (30/12/85)	279.91	281.47	282.08	286.18	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	1098.30	1111.7	1114.8	1112.2	1119.8 (18/3)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	741.1	742.5	748.8	743.0	743.0 (3/4)	590.4 (14/1)
SBC General (1/4/87)	624.4	623.4	618.4	617.9	624.4 (8/4)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	5279.97	(c)	(c)	5344.84	5344.84 (3/4)	3316.26 (16/1)
THAILAND						
Bangkok SET (30/4/75)	(c)	874.64	868.49	856.38	885.16 (18/3)	582.48 (16/1)
WORLD						
M.S. Capital Intl.(1/1/70) (§)	516.3*	521.7	520.1	519.0	524.4 (5/4)	439.1 (16/1)

**Saturday April 5: Taiwan Weighted Price: (c). Korea Comp Ex. 651.00.
§ Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: Brussels SE, HEX General, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

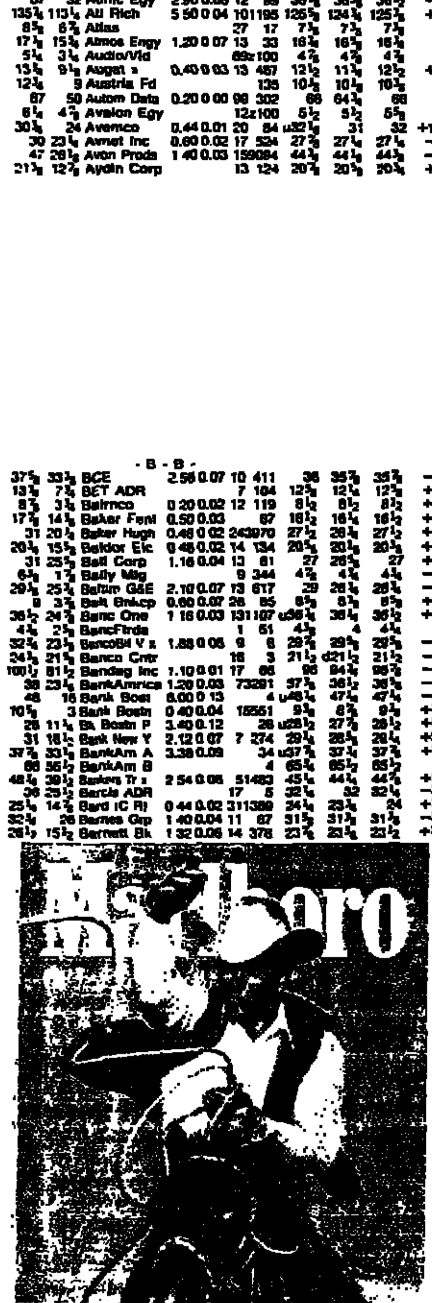
Monday 8 April 1991

	Stocks Traded	Closing Prices	Change on day
Hitachi Zosen	43.4m	690	+15
Chiyoda	25.3m	2,990	+80
Kawasaki	11.5m	638	+8
Furukawa Elec	11.4m	873	+17
M'sui Shpbldg	10.4m	659	+1
M'sui OSK Lns	9.8m	674	+12
Keisei Elec Rl	8.7m	1,800	+40
Nippon Lt Mtl	8.4m	1,040	+20
Ebara	8.1m	1,820	+40
Nisshin Steel	7.9m	780	+16

3:15 pm prices April 8

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1991 High	1991 Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15 3/8	9 1/4	AAR Corp	0.48	0.03	12	152	14 1/8	13 3/4	13 3/4	-1/8
28 1/4	21 3/8	A L Labs A	0.24	0.01	33	194	28 1/8	27 3/4	27 7/8	-1/8
54 1/4	40 3/8	AMP Inc	1.44	0.03	19	487	51 3/4	51 1/4	51 3/8	-1/8
63	44 1/4	AMR			90	1178	59	57 7/8	58 1/8	-1/8
2 5/8	1 1/4	ARX			3	181	u2 5/8	2 1/2	2 1/2	-1/8
49 3/4	41 1/2	ASA	3.00	0.06	13	556	48 1/4	46 1/4	48 1/2	+1/2
50 3/4	39 1/4	Abbott Lab	1.00	0.02	22	2568	50 1/8	49 1/4	49 1/4	-3/4
13 1/2	9 7/8	Abitibi Pr	0.50	0.04	19	14	13 3/8	13 3/8	13 3/8	
11 1/4	10 3/8	ACM Gvt In x				858	11 1/8	11	11 1/8	
9 3/8	8 3/4	ACM GvOpp x				88	9 1/8	9	9 1/8	
9	8 1/4	ACM Gvt Sp x	1.01	0.12		308	8 7/8	8 3/4	8 3/4	-1/8
10 3/8	9 7/8	ACM Gvt Se				851	u10 3/4	10 5/8	10 3/4	+1/8
8 1/4	7 5/8	ACM Man x				380	8	7 7/8	8	-1/8
12 5/8	11 7/8	ACM Managd x				318	12 3/8	12 1/4	12 1/4	-1/4
7 1/8	4 1/4	Acme Cleve	0.40	0.06	17	59	6 1/4	6 1/8	6 1/8	
6	4 1/4	Acme Elect			15	38	4 3/8	d4 1/4	4 1/4	-1/8
40	22 1/4	Acuson			26	893	39	38 1/4	38 1/2	-1/8
17 1/2	14 1/4	Adams Expr	0.48	0.03	0	282	16 3/8	16 3/8	16 1/2	
20	18 7/8	Adobe12Pf	2.40	0.12		20	19 7/8	19 3/4	19 7/8	
9 1/4	7	Adobe Res			19	87	7 3/8	7 1/4	7 1/4	-1/8
31 1/2	19	Ad Micro				268	u31 1/2	31	31 1/2	+1/2
11 5/8	4 5/8	Ad Micro P	3.00	0.26	22	7144	u11 3/4	11 3/8	11 1/2	+1/8
4 5/8	2 1/4	Advest Grp			3	88	4 3/8	4 3/8	4 1/2	+1/4
48 7/8	33 7/8	Aetna Li	2.76	0.06	7	682	47 1/8	46 7/8	46 7/8	-1/2
10 5/8	6 3/8	Affil A	0.24	0.02	27	234	9 3/4	9 5/8	9 3/4	
18 3/4	12	Ahmanson	0.88	0.05	9	1005	18 1/8	17 7/8	18	+1/4
5 3/4	2 7/8	Aileen Inc			9	294	u5 7/8	5 1/2	5 5/8	-1/8
70 3/8	51 3/8	Air Pr Chm x			16	109	68	67 5/8	67 7/8	-5/8
25	16 5/8	Airborne Frt	0.30	0.01	12	64	21 1/4	21 1/4	21 1/4	
18 7/8	12 1/2	Airgas Inc			20	26	17 1/2	17 1/2	17 1/2	-1/4
15 1/4	10	Airlease	1.60	0.13	6	10	12 3/4	12 1/4	12 1/4	
92 1/2	88 1/4	AlaPw8.16				2	90	90	89 1/2	-1/2
23 1/2	21 3/8	AlaPw PfA				7	23 1/8	23 1/8	23 1/8	
103	100	AlaPw9.44				z100	101 1/2	101 1/2	101 1/2	
108	104 1/2	Alab Pw 11				z100	106 1/2	105	105	-1 1/2
100 1/4	96	Alab Pw 9P				z100	99 1/2	99	99 1/4	
92 3/4	88	Alab 8.28C				2	91	91	91	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



NYSE COMPOSITE PRICES

Continued from previous page

1991 High	1991 Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
13¾	12⅝	QuestVal P				60	13½	13¼	13⅜	-⅛
38⅞	33¼	Questar	1.96	0.05	12	579	38⅝	38⅛	38½	-⅛
20⅝	10	Quick R'ty	0.28	0.01	16	25	20¼	20	20¼	+¼

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1991 High	1991 Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
11¾	10⅝	RAC Incm	1.28	0.11		150	11⅝	11½	11½	-⅛
7⅞	4⅞	RAC Mortg x	0.80	0.09	7	249	6⅞	6¾	6⅞	
12⅞	4½	RJRNab Wt0				1721	11⅞	11⅜	11½	-⅜
16⅞	11⅛	RLI Corp	0.44	0.03	7	14	15⅞	15½	15⅞	+⅜
8	4	RMI Titanm			5	60	7⅛	7	7	
10⅜	6⅞	ROCTaiwan				105	10⅝	10½	10⅝	
8¼	4⅞	RPS Realty			8	50	6	5⅞	6	+⅛
73½	49⅞	Racal ADR			22	638	71½	70½	71¼	-1¼
59⅝	46⅞	Ralston Pu	1.08	0.02	16	327	57½	56¾	57	-½
29⅛	21¼	Raychem Co	0.32	0.01	7	582	25¼	24⅝	24⅞	-⅜
34⅞	16¼	RayJames F	0.14	0.00	23	384	32⅞	30⅞	32¼	-⅜
84½	65⅞	Raytheon x	2.40	0.03		91180	81⅛	80¼	80⅜	
35⅝	28⅛	ReadersD A	0.64	0.02	22	534	35¼	34¼	34⅝	-½
2½	1½	Reading&B			1	832	2⅛	2⅛	2⅛	+⅛
17½	12⅝	RealEstTr x	1.42	0.09	18	40	17	16½	16½	-½
6⅛	4⅞	RecognitEq			2	50	5⅞	5⅝	5⅞	
24½	10¼	Reebok Int	0.30	0.01	15	1973	23⅝	22½	23½	+⅜

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Price data supplied by Telekurs.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3:00 pm prices April 8

[illegible]

NASDAQ NATIONAL MARKET

3:00 pm prices April 8

[illegible]

AMERICA

Uncertainty over Fed's intentions restrains Dow

Wall Street

SHARE PRICES were little changed in light trading yesterday morning amid uncertainty about whether the Federal Reserve will cut interest rates, and anxiety ahead of the coming quarterly corporate earnings season, *writes Patrick Harverson in New York.*

At 1.30 pm the Dow Jones Industrial Average was 1.49 at 2,898.27, having spent the entire morning session only a few points either side of its opening value. The more broadly based Standard & Poor's 500 was equally becalmed, edging 0.52 higher to 375.88 by 1 pm, while the Nasdaq composite of over-the-counter stocks eased 0.45 to 495.35. Turnover on the NYSE was light at 79m shares by 1 pm, with advancing shares marginally outpacing declining shares by 726 to 689.

After the Fed's failure on Friday to ease monetary policy in the wake of a big rise in March unemployment, the market is looking to the March inflation figures as a possible trigger for a cut in interest rates. On Thursday the March producer prices index is released, followed by the consumer prices index on Friday.

Analysts believe stocks will trade in a narrow range until then, although worries about the reporting season could undermine the market. The recent spate of profit warnings suggests that first quarter corporate profits could be particularly weak, they say.

The removal of Pepsico from the recommended buy list at Donaldson Lufkin & Jenrette (DLJ), the broking house, prompted a fall in the stock of $⅝ to $32½ on volume of 1.6m shares. Also in the food and consumer products sector, Sara Lee fell $⅛ to $8⅞ and Bob Evans Farms lost $⅝ to 19½ on DLJ downgrades.

Cleveland-Cliffs, the iron ore mining group, gained $1⅝ to $32⅝ after Tiger Management, one of its largest shareholders, threatened a proxy fight to get Cleveland-Cliffs to buy back its own stock.

The news that Microsoft and Compaq will join forces with MIPS Computer Systems to form an alliance to strengthen the Risc workstation business depressed Intel, which dropped $½ to $47¾. Analysts regarded the alliance as a threat to Intel's PC-based business. Compaq rose $¼ to $62¾ and Microsoft put on $2¼ at $112¼ while MIPS Computer Systems added $⅝ to $20⅞.

Del Webb rose $⅝ to $11⅝ after receiving positive coverage in a business weekly for its withdrawal from the casino business and its strong Southwest home sales.

Adia Services, the temporary personnel group, fell $2¼ to $23 in the wake of Friday's late announcement that its first quarter profit would be well down on a year ago.

Canada

TORONTO midday stocks recouped some of their early losses, triggered by disappointment that the US Federal Reserve had not eased credit. The composite index was 6.7 lower at 3,511.5 at midday, after hitting a low of 3,505.69. Declines led advances by 227 to 175 on volume 9.8m shares.

The communications and media sector led the downturn. Rogers Communications class B shares fell C$⅝ to C$9 and Maclean Hunter lost C$⅛ to C$10⅝.

Newbridge Networks, which said that it had signed two three-year global marketing agreements with AT&T, fell C$½ to C$9⅝. The shares rose sharply last week on rumours of the deal.

CAE Industries gained C$¼ to C$7 after its US subsidiary won contracts for the US Army's new light attack helicopter.

Germany bounces 3.8% in technical rally

MARKETS IN PERSPECTIVE

	% change in local currency †				% change sterling †	% change in US $ †
	1 Week	4 Weeks	1 Year	Start of 1991	Start of 1991	Start of 1991
Austria	+2.39	+1.08	−28.31	+15.61	+12.58	+3.74
Belgium	+0.47	+0.45	−5.02	+19.32	+16.67	+7.51
Denmark	+2.04	−0.41	−1.67	+18.44	+15.66	+6.59
Finland	+3.67	+3.89	−11.06	+30.37	+31.24	+20.93
France	+2.10	+0.95	−10.29	+20.83	+17.76	+8.51
Germany	+3.83	−1.63	−16.97	+11.84	+8.42	−0.08
Ireland	+2.40	+2.41	−9.75	+27.07	+23.77	+14.06
Italy	+3.24	+3.83	−15.90	+16.26	+14.48	+5.50
Netherlands	+0.46	+4.00	−0.31	+17.55	+14.09	+5.14
Norway	+0.80	−2.42	−14.04	+9.16	+6.91	−1.48
Spain	−1.30	+1.65	+13.31	+24.88	+25.28	+15.45
Sweden	+1.47	−0.07	+7.41	+30.38	+31.65	+21.32
Switzerland	+2.19	+2.59	+1.16	+21.68	+19.23	+9.87
UK	+3.40	+3.54	+12.68	+19.35	+19.35	+9.98
EUROPE	+2.68	+2.08	−0.97	+18.53	+17.02	+7.83
Australia	+0.62	+3.25	−0.68	+14.54	+26.23	+16.33
Hong Kong	+2.99	+5.71	+27.52	+28.40	+39.43	+28.48
Japan	+2.41	+2.07	−3.08	+15.76	+25.03	+15.20
Malaysia	+1.72	−2.02	+11.81	+15.22	+23.10	+13.43
New Zealand	+2.32	−0.52	−24.89	+6.89	+17.10	+7.88
Singapore	+0.81	−3.23	−0.01	+26.94	+36.03	+25.35
Canada	+0.54	−2.29	−2.93	+5.78	+15.39	+6.34
USA	+0.18	+0.32	+10.59	+14.27	+23.99	+14.27
Mexico	+4.19	+24.33	+127.60	+42.68	+52.81	+40.82
South Africa	+2.35	+1.16	−9.61	+6.64	+18.29	+9.01
WORLD INDEX	+1.62	+1.42	+2.39	+15.84	+22.50	+12.88

† Based on April 5th 1991. Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Ltd

By Jacqueline Moore

STRENGTH IN Europe and Japan gave a positive gloss to stock markets last week. The World Index built upon the previous week's modest gains to finish 1.6 per cent higher in local currency terms – a rise that would have been greater if the US had not ended a volatile week almost unchanged.

Europe was flush with good performances last week, in spite of the closure of most bourses for Easter Monday, the most significant gains being in Germany, the UK and Italy. Germany, which led the global correction a couple of weeks ago, rose 3.8 per cent in a rally described as technical. Said Salomon Brothers on Friday: "In the near term the pre-conditions are accumulating for a bounce in German equities; the D-Mark has slumped, but stock market pessimism is widespread and value is good."

Ms Vanessa Rossi of Swiss Bank Corporation agrees that Germany could perform well in the short term, but stresses that the market remains expensive after last year's strength. She estimates a current price/earnings ratio of 15 to 16 for the German market, against 12 to 13 in the UK.

Moreover, she says, the economic and political difficulties remain serious, and the profits outlook is not good. Swiss Bank expects 1991 earnings growth of 3 to 4 per cent in Germany, against about 14 per cent in Switzerland.

Last week's German advance was helped by a belief that an expected rise in interest rates – which did not materialise – had already been discounted, says Ms Rossi. Share price gains were led by Hoesch, the steelmaker, which rose 9.5 per cent on the week, Deutsche Babcock, in engineering, up 6.5 per cent, and BMW, the car maker which reported results, up 5.9 per cent.

Italy's rise, meanwhile, was built on flimsy foundations, says Ms Rossi. The resignation of the prime minister on Good Friday produced expectations of elections, which in turn raised hopes of a pre-election rally and so triggered buying. The advance concealed the continued worries about the state of the economy. Swiss Bank predicts gross domestic product growth of only 1 to 1.5 per cent this year, compared with an official government forecast of 2 per cent.

Salomon Brothers is more positive about Italy. It says there are currently three types of bourse in Europe:

- the UK, Italy and Spain which, it says, are cheap based on recovery and interest rate prospects;
- France, Switzerland and Belgium, which appear to be fully valued;
- and Germany and the Netherlands, which look to be attractive on the basis of a continued US dollar recovery.

The best rise last week was again in Mexico, which confirmed its position at the top of the 1991 performance league. The market has gained more than 40 per cent in dollar terms this year, compared with second-placed Hong Kong, which has risen 28 per cent.

Hong Kong also had another good week, although Hoare Govett points out that news of a covered warrants issue from Cheung Kong cut the rally short on Thursday.

EUROPE

Italian cash calls feature on quiet Continent

ITALY featured in a quiet trading day on the Continent as the recent spate of cash-raising announcements continued, *writes Our Markets Staff.*

MILAN fell back after last week's gains. Trading was dominated by technical considerations linked to the expiry of monthly options contracts on Friday. The Comit index dropped 4.83 to 595.46 in volume estimated at less than Friday's L205bn.

A closer look at last week's March mutual fund data, showing that a sizeable amount of the 20 per cent increase in net inflow came from dividend income, not fresh money from investors, dampened sentiment. Furthermore, mutual funds continued to sell domestic equities, although at a slower net rate of L450bn compared with L750bn in February.

Assitalia slid L265 or 2.5 per cent to L9,610 after weekend comments by its controlling shareholder that the state-owned insurer needed to double its share capital.

Eridania, the sugar, starch and edible oil group controlled by Ferruzzi, eased L180 to L7,250. After the close, the company said that it planned to increase its capital by between L252bn and L281bn.

FRANKFURT had a few bright spots. Volume fell from DM6bn to DM4.6bn. Construction shares climbed by another 2½-5 per cent. The DAX index fell 8.92 to 1,579.95, after a mid-session rise of 0.87 to 672.44 in the FAZ.

Mr James Cornish of County NatWest said that Friday's talk of construction orders from east Germany had been followed by more news at the weekend, particularly of pollution control work for Bilfinger & Berger. Bilfinger rose DM36 to DM905. Hochtief put on DM33 to DM1,322, Philipp Holzmann DM45 to DM1,370, and Heidelberger Zement DM57 to DM1,202, a rise of more than 40 per cent from its 1991 low.

There was a modicum of support for engineering stocks after Linde reported profits up 14 per cent for 1990. However, Linde rose only DM3 to DM800; where prices were appreciably better – KHD up DM7.50 at DM194 and Deutsche Babcock DM4.90 at DM178.50 – there was a suspicion that trading, rather than investment, considerations had won the day.

PARIS quietened down after last week's arbitrage activity. Turnover subsided from Friday's FFr3.8bn, and the CAC 40 index eased 4.14 to 1,847.57.

Among the day's few big movers, Eurotunnel fell FFr1.40 or 2.8 per cent to FFr49.30 on volume of 1.42m shares. The company said that a delay in the delivery of tourist trains could reduce 1993 revenues. Moulinex gained FFr2.70 or 2.4 per cent to FFr117.80 after Friday's 1990 results, which underlined the household equipment maker's good second half.

Saint-Gobain, the glass maker, added another FFr5.90 to FFr464.70, a gain of 12 per cent since the end of February, compared with a rise of 5 per cent in the CAC 40.

FT-SE Eurotrack 100 - Apr 8

Hourly changes

Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	Close
1113.75	1113.77	1113.44	1114.00	1113.19	1114.23	1113.85	1113.55

Day's High 1116.55 Day's Low 1112.54

Apr 5	Apr 4	Apr 3	Apr 2	Mar 28
1119.54	1114.06	1116.86	1100.61	1093.14

Base value 1000 (26/10/90)

AMSTERDAM closed mostly easier after a dull session. The CBS tendency index lost 0.6 to 96.4 while volume fell to Fl 575m from Fl 855m.

Philips lost Fl 1.30 to Fl 28.10 after the chairman's comments last week in the annual report.

Elsevier rose Fl 1.10 to Fl 84.80 following its 1990 results and the sale of its stake in Pearson of the UK for Fl 608m. Ahold, the supermarket group, added Fl 2.70 to Fl 86 in active trading ahead of the debut of its ADRs on the US Nasdaq system yesterday.

MADRID, one of the few markets to fall last week on profit-taking, lost another 1.83 on the general index, which slipped below 280 to close at 279.64. Turnover fell to about Pta10bn from Pta14.5bn.

FG, the Madrid brokers, said in its April monthly review that it had expected the index to reach 280, but not as quickly as it had. "Now that level has been reached in the rush to buy, it is not clear that the rally will continue much further," it says; "280 on the index is a fair value given the combination of real interest rates at 6 per cent, estimated EPS growth for 1991 of 6 per cent and a return to the historical risk premium for Spanish equities of 3.5 per cent."

STOCKHOLM edged lower. The Affärsvärlden General index eased 13.4 to 1,098.3 in turnover of SKr343m after Friday's SKr396m.

In the insurance sector, Skandia free shares dropped to SKr173 on Friday's news of a 97 per cent fall in 1990 operating profits, before closing SKr8 or 5 per cent down at SKr178.

ZURICH financials continued to outpace industrials as the Crédit Suisse index fell 0.4 to 562.4. In banking, CS Holding rose SFr90 to SFr2,060 while, in engineering, Brown Boveri dipped SFr50 to SFr4,630.

BRUSSELS finished mixed in quiet trading, although Delhaize, the retailer, continued to firm after good first quarter results at its Food Lion unit in the US. The Bel20 index slipped 1.33 to 1,199.19, while Delhaize gained BFr60 to BFr7,760.

VIENNA shrugged off weaker sentiment on other bourses and rose to its fourth successive 1991 high. The index gained 3.77 to 582.77.

SOUTH AFRICA

JOHANNESBURG found support from a depressed financial rand, owing to the growing political uncertainty. A rise in bullion prices to $361 helped the all-gold index advance 20 to 1,064. The all-share index added 10 to 2,949.

ASIA PACIFIC

Nikkei beats late retreat as interest rate hopes fade

Tokyo

FIRM IN the morning, share prices reversed direction later to end moderately weaker yesterday on balance. Dealers were preoccupied with interest rate prospects, and a decline in the futures market towards the close triggered index selling by investment trusts, *writes Emiko Terazono in Tokyo.*

The Nikkei average closed 159.68 down at 26,607.65, after a morning high of 26,825.33 and an afternoon low of 26,591.48 just before the close. Volume decreased from 550m to 500m shares and activity centred on dealer and individual trading.

Falls finally led advances by 526 to 452, with 156 issues unchanged. The Topix index of all first section stocks lost 6.86 to 2,008.74, and in London trading the ISE/Nikkei 50 index was 0.12 easier at 1,513.36.

Traders said the decline in the Nikkei was not surprising after Friday's fall on Wall Street. "Investors will now focus on US economic statistics later this week," commented Miss Benedicte Ivey at Credit Lyonnais Securities.

The outcome of the Tokyo metropolitan gubernatorial election had little effect on financial markets; but Mr Masami Okuma at UBS Phillips & Drew said markets could become jittery if the announcement from Mr Ichiro Ozawa, the Liberal Democratic Party secretary-general, that he would resign from his post disrupted domestic political developments.

Interest rate-sensitive large-capital issues eased as investors, who were anticipating that a discount rate cut in the US would put pressure on Japan's central bank, were disappointed by the Fed's stance on monetary policy. Ishikawajima-Harima Heavy shed Y2.

Shipping-related shares were strong on recommendations by stockbrokers. Mitsui OSK Lines gained Y12 to Y674 and Hitachi Zosen, the day's most active issue, rose Y15 to Y690.

Among smaller companies, Chiyoda, the plant engineer, moved ahead Y80 to Y2,990 on expectations of order increases from south-east Asia.

Some issues gained ground on strong fundamentals. Tokyo Steel put on Y120 to Y3,900 as traders were encouraged by the company's estimate of a 40 per cent increase in profits for the year ended last month. Furukawa Electric, the electric cable and wire maker, added Y17 at Y873 on brisk cable sales to NTT.

Speculative stocks were also active, with Keisei Electric Railway climbing Y40 to Y1,800 on rumours of an announcement that it will conduct equity financing. Yamada, a car maintenance toolmaker, rose to an all-time high of Y2,130 on rumours that a speculative group was buying the stock, but receded on profit-taking to end Y10 off at Y2,010.

The drugs sector was weaker on profit-taking, but Yamanouchi Pharmaceutical gained Y50 to Y3,170. Traders said the buying was related to the company's launch of French franc denominated warrant bonds.

In Osaka, the OSE average added 98.52 at 30,061.97 on volume of 52.9m shares, against 59.2m. Investors were attracted to low-priced small-capital issues. Kinki Coca-Cola Bottling gained Y300 to Y3,000 as some investors were attracted by its low price/earnings ratio.

Wakita, a leasing compan firmed Y100 to Y2,670 on sma lot buying. Investors were attracted by revenue from its karaoke machine leasing.

Roundup

WEAKNESS on Wall Street on Friday and the Nikkei's decline yesterday weighed on most Pacific Rim markets.

HONG KONG retreated as afternoon profit-taking overwhelmed early gains driven by interest in HSBC Holdings shares on their first day of trading in place of Hongkong and Shanghai Banking shares.

The new shares reached a high of HK$28.40 from their HK$25.87 resumption price but ended at HK$26.90.

The Hang Seng index, which gained 40 points at one stage, closed 37.14 or 1.0 per cent down on balance at 3,812.01 on turnover of HK$2.01bn, after last Thursday's HK$2.11bn.

MANILA was carried to the year's high by the oil sector, though trading was thin ahead of today's national holiday. The composite index rose 6.37 to 1,154.73 in turnover of 212.97m pesos, against 259.40m previously.

AUSTRALIA lost ground in spite of better than expected balance of payments data for February. The All Ordinaries index slipped 11.8 to 1,444.6 in thin turnover of A$124.98m. Westpac fell 8 cents to A$3.98 after announcing a cut in its interim dividend.

TAIWAN declined as investors returned from the four-day holiday weekend in a cautious mood. The weighted index lost 64.87 or 1.2 per cent to 5,279.97 in turnover of T$78.2bn, against T$83.3bn.

SEOUL continued to fall after a weak session on Saturday. Volume dropped to 5.68m shares, the lowest level of the year, after Saturday's half-day 5.02m. The composite index dipped 4.54 to 646.46.

SINGAPORE was lower in thin trading. The Straits Times Industrial index shed 10.11 to 1,492.24 in turnover of S$104.99m, down from S$129.16m. **KUALA LUMPUR**'s composite index receded 9.01 to 582.13 in volume of 49.3m shares, after 64.1m, and **NEW ZEALAND**'s Barclays index eased 4.6 to 1,356.01.

BOMBAY attracted heavy buying by non-resident Indians and the BSE index finished 20.58 higher at 1,238.70.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	FRIDAY APRIL 5 1991								THURSDAY APRIL 4 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (74)	137.33	−0.3	114.48	118.32	119.49	116.60	−0.4	5.83	137.70	114.40	118.59	119.34	117.05	137.70	112.74	135.81
Austria (19)	204.00	+0.8	170.06	175.77	177.50	176.86	+0.6	1.49	202.40	168.15	174.32	175.41	175.79	222.37	167.00	278.90
Belgium (60)	142.15	+0.2	118.60	122.46	123.67	120.42	+0.2	4.89	141.81	117.82	122.13	122.90	120.13	151.20	121.73	146.47
Canada (116)	138.27	−0.1	115.26	119.12	120.29	115.59	−0.2	3.42	138.37	114.96	119.17	119.92	115.83	141.10	126.49	141.32
Denmark (31)	247.95	−0.1	206.70	213.63	215.73	218.51	+0.1	1.54	248.09	206.12	213.67	215.01	216.20	270.56	217.74	250.33
Finland (21)	124.73	+2.4	103.98	107.47	108.52	102.29	+1.1	2.37	121.82	101.21	104.93	105.58	101.13	125.15	90.61	136.45
France (113)	142.96	+0.4	119.18	123.17	124.38	127.04	+0.8	3.37	142.38	118.29	122.62	123.39	126.08	152.26	121.85	161.11
Germany (68)	111.81	+0.2	93.20	96.34	97.28	97.28	+0.6	2.30	111.57	92.69	96.10	96.69	96.69	125.35	102.43	136.58
Hong Kong (48)	156.50	+0.0	130.46	134.83	136.17	156.61	+0.0	4.37	156.45	129.98	134.74	135.59	156.61	158.75	119.62	122.28
Ireland (16)	169.34	−0.9	141.16	145.90	147.33	149.55	−0.6	3.05	170.91	141.99	147.20	148.12	150.51	182.46	132.88	165.89
Italy (91)	82.62	+0.4	68.87	71.18	71.88	76.70	+0.8	3.32	82.29	68.36	70.87	71.31	76.26	88.23	72.05	98.70
Japan (452)	143.74	+0.3	119.83	123.84	125.06	123.84	+0.3	0.69	143.37	119.12	123.48	124.27	123.48	146.97	118.35	133.66
Malaysia (33)	240.64	+0.2	200.60	207.32	209.36	254.26	+0.0	2.86	240.26	199.61	206.92	208.22	254.28	247.78	192.83	213.02
Mexico (12)	823.02	−0.2	686.09	709.10	716.07	2692.35	−0.2	0.25	824.35	684.88	709.98	714.44	2696.69	824.35	534.45	388.03
Netherland (40)	140.86	−0.5	117.42	121.36	122.56	121.22	−0.2	4.28	141.62	117.66	121.97	122.74	121.51	145.73	125.70	139.59
New Zealand (14)	46.83	+0.7	39.04	40.35	40.75	41.91	+0.6	8.15	46.52	38.65	40.07	40.32	41.66	52.31	41.18	61.15
Norway (30)	201.25	−0.2	167.77	173.40	175.10	177.97	+0.0	1.76	201.73	167.60	173.75	174.84	177.91	223.24	182.24	232.06
Singapore (25)	199.65	+0.5	166.43	172.01	173.70	161.97	+0.0	2.31	198.62	165.01	171.06	172.13	162.01	208.25	151.63	186.14
South Africa (60)	199.36	+0.1	166.19	171.76	173.45	145.26	+0.3	3.93	199.08	165.40	171.48	172.53	144.81	208.54	173.00	184.89
Spain (41)	162.00	−0.3	135.04	139.58	140.95	126.84	−0.1	4.48	162.42	134.94	139.89	140.76	126.92	171.12	131.51	138.61
Sweden (27)	193.45	−1.0	161.26	166.67	168.31	173.11	−0.8	2.51	195.32	162.27	168.22	169.28	174.57	204.12	146.60	179.49
Switzerland (65)	97.71	+0.0	81.46	84.19	85.03	85.54	+0.7	2.42	97.67	81.14	84.12	84.66	84.92	100.67	82.17	91.85
United Kingdom (295)	182.21	+0.4	151.90	156.98	158.52	151.90	+0.7	4.57	181.49	150.78	156.29	157.27	150.78	187.44	156.27	147.95
USA (525)	152.33	−1.1	126.98	131.25	132.54	152.33	−1.1	3.22	154.09	128.02	132.72	133.55	154.09	154.09	125.95	137.43
Europe (937)	145.07	+0.2	120.93	124.99	126.22	123.71	+0.6	3.82	144.73	120.24	124.65	125.44	123.02	151.52	125.50	140.54
Nordic (109)	187.66	−0.4	156.43	161.68	163.27	159.40	−0.3	2.03	188.37	156.50	162.24	163.25	159.82	200.81	155.55	187.49
Pacific Basin (646)	143.51	+0.2	119.63	123.65	124.86	124.21	+0.3	1.02	143.17	118.95	123.31	124.09	123.86	145.92	117.86	133.26
Euro−Pacific (1583)	144.50	+0.2	120.46	124.49	125.72	124.88	+0.4	2.18	144.16	119.77	124.15	124.94	124.40	147.66	121.29	136.57
North America (641)	151.38	−1.1	126.19	130.44	131.73	149.86	−1.1	3.23	153.04	127.15	131.82	132.66	151.52	153.04	125.91	137.57
Europe Ex. UK (642)	122.67	+0.1	102.26	105.71	106.76	107.26	+0.4	3.14	122.55	101.81	105.57	106.23	106.81	129.80	106.85	134.17
Pacific Ex. Japan (194)	139.84	+0.0	116.58	120.50	121.68	124.25	−0.2	4.96	139.90	116.23	120.51	121.26	124.46	139.90	111.40	128.07
World Ex. US (1771)	145.24	+0.2	121.07	125.14	126.37	125.38	+0.4	2.23	144.91	120.40	124.82	125.60	124.98	148.16	122.32	137.34
World Ex. UK (2001)	143.03	−0.3	119.24	123.24	124.46	131.92	−0.3	2.32	143.54	119.25	123.63	124.41	132.30	143.99	120.06	135.17
World Ex. So. Af. (2236)	146.19	−0.3	121.87	125.97	127.21	133.82	−0.2	2.57	146.59	121.79	126.26	127.05	134.06	147.10	122.92	136.00
World Ex. Japan (1844)	149.41	−0.5	124.55	128.74	130.01	139.16	−0.4	3.52	150.19	124.78	129.37	130.19	139.73	151.69	126.69	139.04
The World Index (2296)	146.52	−0.3	122.14	126.24	127.46	133.90	−0.2	2.58	146.91	122.05	126.63	127.33	134.13	147.40	123.26	136.29

Latest prices were unavailable for this edition.